

²⁰¹⁰ DOING BUSINESS _{IN} DC



Washington, DC Economic Partnership

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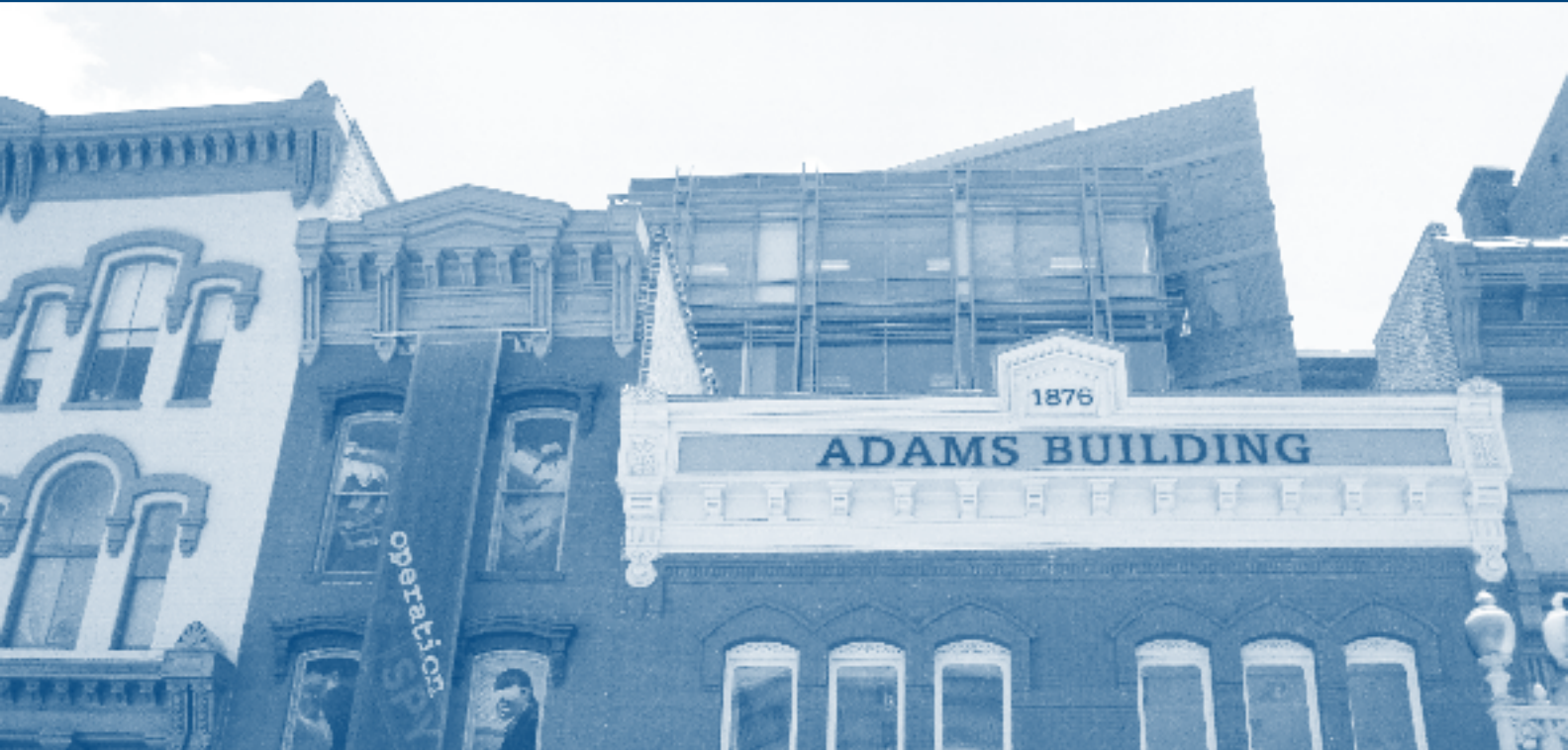
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²⁰¹⁰ DOING BUSINESS IN DC



a publication of the Washington, DC Economic Partnership

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About this Guide



The Doing Business in DC resource guide is an updated and improved version of the fourth edition released in 2008. The new guide covers information essential to relocating, starting and expanding your business in DC. Whether you are an existing business looking to relocate to DC, an entrepreneur looking for some guidance on starting a business in DC or a DC-based company looking to understand local business resources, you will find the guide an indispensable tool.

As your first point of contact for doing business in DC, the Washington, DC Economic Partnership (WDCEP) has a variety of resources in addition to this publication that can assist you in your business success. To find out more about what we can do for you, please call the WDCEP at 202.661.8670 or visit www.wdcep.com.

This guide was partially funded by a District of Columbia Neighborhood Investment Fund (NIF) grant.

Doing Business in DC is a publication of the Washington, DC Economic Partnership. This document is intended to serve as a guide to starting a business and doing business in the District of Columbia. It is not intended to supplant legal or financial advice. Although every attempt was made to ensure the quality of the information contained in this document, the Washington, DC Economic Partnership makes no warranty or guarantee as to its accuracy, completeness or usefulness for any given purpose.

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"We are proud of the great impact small businesses have on our local economy," said Mayor Adrian M. Fenty. "And the Washington, DC Economic Partnership's Doing Business in Washington, DC guide is a tremendous asset to this economic base as well as all entrepreneurs looking to set up shop here in our city. The District is continuously striving to create and maintain a city of opportunity."

Adrian M. Fenty, Mayor, District of Columbia



Why Choose DC?

The District of Columbia is a world-class capital city that will guarantee unparalleled opportunities to small and large businesses and organizations. More than a political and cultural center, DC is also a business capital that is experiencing an unprecedented renaissance as one of the fastest growing and most exciting economies in the country. Choosing to locate your business in DC will ensure advantages that are unmatched by any other city.

Over the past few years, the District of Columbia's economy has proven to be strong and resilient while major events and cycles have shocked the rest of the nation. DC is well established for industries such as business services, nonprofits, law firms, hospitality, technology and an increasingly vibrant retail market. The nation's capital has the tools, the infrastructure, the workforce, the accessibility, and the climate for businesses to flourish.

Workforce

The District of Columbia boasts a highly skilled workforce and a strong job market. There are 599,657 people living in DC of which 39.1% have a bachelor's degree or higher. The median household income for DC residents is \$56,428.¹ Despite the recent economic downturn, the job market has proven to be strong and resilient. The DC metropolitan area unemployment rate has remained well below the national average and suffered only minor decline comparing to other large metro areas. The job market is currently employing approximately three million workers and is expected to add new employment opportunities in the near future.²

Transportation

The District of Columbia's public transportation system is highly efficient with the 2nd largest rail network and the 5th largest bus network in the United States. Not only do people rely on the Metro system to commute to work everyday, they also use it to explore the city's many attractions. In 2007, there were a total of 339.4 million trips taken by riders.³ The average commute time for residents is 29.7 minutes.⁴

1. Government of the District of Columbia 2. Delta Associates (2010 Trendlines)
3. Washington Metropolitan Area Transit Authority (WMATA) 4. US Census Bureau



"Washington, DC is a leading city for business enterprise. Whether an established organization or a brand new start up, we hope you will use this guide as a resource to launch or expand your business in the nation's capital. This administration is committed to fostering entrepreneurship and meeting the needs of the business community."

Valerie Santos, Deputy Mayor for Planning and Economic Development, District of Columbia



Development

The District of Columbia serves as a leader in the national real estate market. There are a total of 75 projects under construction totaling \$4.3 billion. There are also more than 341 planned or proposed projects that amount to \$43.1 billion in development. Additionally, DC sets a national and global example of how to achieve sustainable development by creating policy and achieving a record number of LEED certified projects.

Industries and Occupations

The top industries in the District of Columbia are Professional, Scientific, and Technical Services; Health Care; Educational Services; Administrative Services; Hospitality; Information Services; and Finance and Insurance. Occupational growth projections by industry for the year 2014 show that Professional and Related Services will continue to be the largest industry in DC followed by Management, Business and Financial occupations.¹

The District of Columbia is a dynamic city with genuine and unique business opportunities. Recent economic downturn has proven that DC's economy is strong and resilient, and provides many opportunities to jumpstart businesses potential.

1. DC Department of Employment Services



1

INITIAL START-UP CONSIDERATIONS

Business Planning, Business Location, Ownership Structure

Whether you are starting a new business or relocating an existing one, you will need to know what is required to operate in the District of Columbia. If this is your first business venture, there are a number of factors that you need to consider. This chapter will take you through the basic steps of starting a business in DC.

Business Planning

Developing a business plan is crucial to success. A well-written business plan can help secure funding, market your products and services, and help to establish strategic partnerships. While there are different ways of writing a business plan, there are a few essential components that should be included in every business plan.

Essential Components of a Business Plan

The three main sections to any business plan are:

Description of Business

This section should contain the “who, what, when, where, why and how” of your business. Some relevant points include location, products and services, employees, management structure, labor policies, and other general information about your business.

Basic Steps of Starting A Business

Know Your Business

What are you selling?
Who are your customers?
Who is your competition?

Write a Business Plan

How will your business make money?
How will you finance the business?

Find a Location

Where are your customers?
Where will your business operate?
How much space will you need?
What are the zoning requirements?

Make Your Business Legal

What business structure will your company have?
What kind of licenses do you need?
What tax forms do you need?

Get Financing

Will you need a loan?
Do you qualify for a loan?
What are the sources of financing?
What financial incentives are available?

Market Analysis

This section includes demographic information about your customers, how you plan to reach them, information about potential competitors, timing of and barriers to market entry, your marketing budget and advertising plan.

Financial

This is where your balance sheets, cash flow projections, income statements and break-even analyses are located. You will need to articulate all of your expenses and revenues by month and by year for a five-year time period. Additionally, business plans should always include a cover sheet and an executive summary that provides an overview of your entire plan.

For more in-depth information on how to write a business plan and examples of business plans in various industries please visit www.bplans.com.

Assistance for Business Planning

If you would like to work with an experienced counselor to help develop your business plan, we recommend that you contact one of several resource centers in the District. These resource centers provide comprehensive business start-up assistance including business planning and marketing.

Enhanced Business Resource Center (E-BIC)

The Department of Small and Local Business Development's Enhanced Business Information Center (e-BIC) provides District small businesses and entrepreneurs with training, consulting and technological assistance. Its offerings include one-on-one counseling, access to computers and business planning software, and a regular register of classes on topics ranging from starting your business in DC to finding business loans. It also provides regular updates about small business opportunities and referrals to other small business resource providers in the area. The e-BIC is located within Martin Luther King, Jr. Memorial Library at 901 G Street, NW and is open from 12–6 pm on Mondays and Tuesdays and 9:30 am–5 pm on Wednesdays, Thursdays, and Fridays.

202.727.2241 | dslbd.dc.gov

DC Minority Business Enterprise Center

The Minority Business Enterprise Center (MBEC) is a business consulting development division of the National Community Reinvestment Coalition (NCRC) located in the nation's capital. The MBEC works with minority-owned companies

to improve their performance and profitability by providing access to capital and markets. The Center is committed to increasing economic parity in performance between minority and non-minority owned businesses. The MBEC is funded by the U.S. Department of Commerce and partners with DC's Department of Employment Services (DOES).

202.671.1552 | www.dcmbec.org

DC Chamber of Commerce: Business Resource Center

The DC Chamber of Commerce Business Resource Center helps emerging and established businesses navigate through the processes for business plan review, permits and certifications. The Center offers support services and training designed to expand the capacity of small businesses in the DC area.

202.545.0220 | www.dcchamber.org

Small Business Administration

The U.S. Small Business Administration (www.sba.gov/dc) is a federal agency devoted to helping small businesses. It has both resource centers and counselors to assist you with starting and growing your business. At the SBA's Service Corps of Retired Executives (SCORE), counselors can provide mentoring, training and advice for both start-ups and existing businesses.

202.272.0390 | www.scoredc.org

Small Business Development Center

The DC Small Business Development Center (DCSBDC) network provides business counseling and marketing resources.

202.806.1550 | www.dcsbdc.org

Washington Area Community Investment Fund

The Washington Area Community Investment Fund (WACIF) is a nonprofit community development financial institution (CDFI) dedicated to providing financial and technical assistance for community and economic development. Current WACIF programs include: Nonprofit Housing and Community Development, Child Care, Community-Based Development, Technical Assistance and Small Business Economic Development.

202.529.5505 | www.wacif.org

WDCEP TIP

Please refer to Chapter 11: Business Resources for more information on each of these resources.

Business Location

One of the first concerns when starting a business is deciding where to locate your business. Your business location choice is integral to determining if you qualify for certain government incentive programs (*see Chapter 5: Financial Incentives*), how accessible you are to your target market, your ability to attract and retain employees, and what type of occupancy permit you will need, among other issues. You will be required to have a location and submit a Certificate of Occupancy or Home Occupation Permit when applying for your business license.

Site Considerations

Important factors to consider when choosing a location for your business:

How accessible is your proposed location?

- Will it be accessible to your potential clients?
- Is parking nearby? Is there a significant amount of foot traffic?
- Are you near a Metro station, bus stop or major intersection?

Is the price right?

- How much revenue will you require to cover your lease?
- What amenities are included in your lease?
- Will you have to build to suit; will the landlord outfit the space or provide funds for tenant improvements?

Does the site meet your requirements?

- Is the space zoned for your type of business (i.e., industrial, residential, commercial or mixed-use)?
- Will you require loading bays? Do you need elevators?

Do you want to operate your business from home?

- What amount of savings do you anticipate to have from operating a home-based business?
- How will you be able to reach your clients?
- Will you be able to run your type of business from home?

If you operate your business from a residential property, you will need to obtain a Home Occupation Permit (*see Chapter 2: Registration & Licensing*). In addition, there are also restrictions on the number of employees you can have in a home-based business and how many deliveries or customers can come to your home each day.

Please Note

In the District of Columbia, you are required to have a location and submit a Certificate of Occupancy or Home Occupation Permit when applying for your business license.

These critical issues underscore the importance of determining a location early in the business planning process.

Assistance with Choosing a Location

If you plan to operate your business in a commercially leased property, you may contact one of the following organizations to identify resources that best fit your needs:

Washington, DC Economic Partnership

The Washington, DC Economic Partnership (WDCEP) can provide you with broker contacts, information on vacancy rates, asking rents and demographic information about the areas around your business. The WDCEP can also provide information on available office and retail space in neighborhoods or new development projects.

202.661.8670 | www.wdcep.com

Brokerage Firms & Real Estate Service Companies

You may directly contact a commercial real estate broker representing tenants for your space search. Brokerage firms offer a variety of services including but not limited to investment advice, real-time quotes, research, investment information and tools, online trading, touch-tone trading, website account access, check-writing privileges, and margin loans.

Community Development Corporations

Community Development Corporations (CDCs) in the neighborhood of your choice can assist you with information on neighborhood properties.

www.brc.dc.gov/incentives/comunity.asp

DC Building Industry Association

The DC Building Industry Association (DCBIA) can refer you to their member brokers depending on your needs.

202.966.8665 | www.dcbia.org

Department of Small & Local Business Development

The Department of Small & Local Business Development's Office of Commercial Revitalization provides site location assistance for retail ventures.

202.727.3900 | www.dslbd.dc.gov

Greater Washington Commercial Association of REALTORS®

The Greater Washington Commercial Association of REALTORS® (GWCAR) can provide you with a listing of real estate brokers in the region.

301.590.2000 | www.gwcar.org

Helpful Resources

For demographic information about the area around your business, you can contact the Washington, DC Economic Partnership at **202.661.8670** or online at **www.wdcep.com**.

Ownership Structure

As you begin planning, you will need to consider the ownership structure of your business. Your business ownership structure will not only define who owns the business, but also will determine who controls it, who assumes liability, how profits are divided and how your business will be taxed.

The list below represents eight common business types. There are, however, many ways to set up a business, and each business is subject to its own unique tax situation. You should consult with a qualified tax professional and a lawyer to determine the appropriate structure for your business.

- **Sole Proprietorship**

A business that is owned by a single individual.

- **General Partnership**

A business owned by two or more persons who have agreed—verbally or in a formal written statement—to operate a business.

- **Limited Partnership**

A business similar to a general partnership, however, one invests assets into the business at their own risk and is limited to the amount of capital invested. The investor is not involved in management and does not share in the liability for debts or losses.

- **Limited Liability Partnership (LLP)**

A business where partners are given the same limited liability protection as professional corporations.

- **C (General) Corporation**

A business formed by law as a separate legal entity from its owners (stockholders and shareholders).

- **S Corporation**

A business similar to a General Corporation, with the exception of specific IRS requirements.

- **Limited Liability Corporation (LLC)**

An LLC is a hybrid business that draws advantageous characteristics from both corporations and partnerships.

- **Nonprofit**

An organization that has no owners, gives no income (except salaries/expenses) to members, directors or officers and must have a Board of Directors.

Please see the chart on page 16–17 for comparison information. For more information on corporate ownership structures in the District of Columbia, visit the District’s online Business Resource Center at www.brc.dc.gov.



COME MEET THE NEW DCRA.

Working Smarter, Working Faster, for DC Businesses.

DCRA is committed to providing you and your business with the services it needs to help keep the District of Columbia's economic engine churning. We have streamlined our processes to ensure you spend more time with your business. We have invested in new technologies to make most services just a few clicks away.

We are excited to announce our new Business Resource Center that will bring government agencies, non-profits and the private sector together to provide resources to support new businesses and ensure you thrive. Visit our website for the latest seminars and other great opportunities.



@dcra

Adrian M. Fenty, Mayor
Linda K. Argo, Director

dcra.dc.gov

Comparison of Ownership Structures*

Sole Proprietorship

advantages

- Easiest and least expensive to set up
- Full control over all business decisions
- Minimal legal restrictions or requirements
- Owns all profits and reaps all benefits
- Not required to pay unemployment taxes

disadvantages

- Personally liable for all business transactions
- May have difficulty obtaining long-term financing
- No unemployment benefits if the business fails
- Limited tax savings

Limited Partnership

advantages

- Relatively easy to establish
- Partners share in start-up expenses
- Financing is easier to obtain than for a sole proprietorship
- Partners share all profits and reap all benefits of ownership
- Limited Partnership partners' assets are not at risk from creditors

disadvantages

- More expensive to set up initially due to the requirement for a written agreement
- Operating (general) partner has unlimited liability for business expenses
- Loss of one partner may dissolve the business
- Partnership may be difficult to end

General Partnership

advantages

- Easy to establish
- Partners share workload and responsibilities
- Financing is easier to obtain than for a sole proprietorship
- The partners share all profits and reap all benefits of ownership

disadvantages

- May be more expensive to start
- Partners have unlimited liability for business expenses
- Each partner is bound by the actions of the other partner
- Decision-making authority is divided
- Loss of one partner may dissolve the business
- Partnership may be difficult to end

Limited Liability Partnership (LLP)

advantages

- Tax advantage of flow-through tax treatment for LLP partners
- Simple and familiar for an existing partnership to become an LLP

disadvantages

- A sole owner cannot set up an LLP as a partnership; an LLP must have at least two partners to exist

C (General) Corporation

advantages

- Has a lifespan independent from its owners (stockholders)
- Fringe benefits costs are tax-deductible
- Personal assets are protected from business liability
- Ownership can be transferred through the sale of stock
- Easy to raise operating capital through the sale of stock
- Ownership can change without affecting its day-to-day management

disadvantages

- Incorporating involves considerable start-up expenses
- Subject to more district and federal legislation
- Corporate earnings subject to double taxation
- Many legal formalities exist when filing and trying to maintain corporate status
- Activities are limited

S Corporation

advantages

- Already exists as a corporation
- Corporate earnings avoid double-taxation

disadvantages

- Difficult to qualify for IRS requirements

Limited Liability Company (LLC)

advantages

- Profits and losses pass through the company to its owners for tax purposes
- Personal assets are protected from business liability
- No limitation on the number or nature of owners
- Simpler to operate than a corporation
- Not subject to corporate formalities
- Owners may participate in management of the business

disadvantages

- Legal assistance is needed to properly set up and structure an LLC
- Professionals—such as lawyers, accountants and doctors—are prohibited from registering as an LLC

Nonprofit

advantages

- Tax Exemption
- Business Operation Flexibility

disadvantages

- Merger limitations



2

BUSINESS REGISTRATION & LICENSING

Step-by-Step Explanation of the Licensing Process

All businesses operating in DC are required to be registered or licensed by the Department of Consumer and Regulatory Affairs (DCRA). This department also issues permits and recognizes business ownership types. The Business and Professional Licensing Administration of the department is for obtaining business licenses and the Permit Center is for occupation and construction permits in the District of Columbia. Both centers provide technical assistance and the option to complete the process on-site.

Visit **www.dkra.dc.gov** for information including:

- Registration forms and documents
- Answers to frequently asked questions
- Business name availability tool
- Registered organization search

The process of obtaining licenses and registrations can be streamlined if you know what you need and where to find it. This chapter will help you navigate your way through the maze of business regulations.

If you would like to operate in the District of Columbia as a for-profit, nonprofit, Limited Liability Company or partnership (limited partnership or limited liability partnership), you must register with the Corporations Division of the Department of Consumer and Regulatory Affairs.

To register as a domestic company, you must file for articles of incorporation (for-profit or nonprofit corporations), articles of organization for Limited Liability Company or statement of qualification for partnership.

To register as a foreign company (if your business is already registered outside the District of Columbia), you must file for certificate of authority (for-profit or nonprofit corporations) or certificate of registration for Limited Liability Company.

The Licensing Process Step-by-Step

The following steps apply to all business license applicants:

- Step 1: Employer Identification Number (EIN)
- Step 2: Certificate of Occupancy (CRA-5)
- Step 3: DC Business Tax Identification Number
- Step 4: Certificate of Registration
- Step 5: Clean Hands Certificate
- Step 6: Basic Business License
- Step 7: Business Trade Name

STEP 1: Employer Identification Number (EIN)

An EIN (*also known as Tax Identification Number (TIN)*) is a nine-digit number assigned by the Internal Revenue Service. The IRS uses the number to identify business taxpayers who are required to file various tax returns. EINs are used by employers, sole proprietors, partnerships, corporations, nonprofit organizations, trusts, estates of decedents, government agencies, certain individuals and other business entities.

Generally, you will need an EIN if you answer “Yes” to any of the following questions:

- Do you have employees?
- Do you operate your business as a corporation, LLC or a partnership?
- Do you file any of these tax returns: Employment; Excise; or Alcohol, Tobacco and Firearms?
- Do you withhold taxes on income, other than wages, paid to a non-resident alien?
- Do you have a Keogh plan (a tax-deferred pension account)?
- Are you involved with any of the following types of organizations: trusts (except certain grantor-owned revocable trusts), IRAs, exempt organization business income tax returns, estates, real estate mortgage investment conduits, nonprofit organizations, farmers’ cooperatives or plan administrators?

For more specific information about whether or not you are required to obtain an EIN, you should refer to IRS Publication 1635. You can obtain a copy of the publication online at www.irs.gov.

The quickest and easiest way to apply for your EIN is online at www.brc.dc.gov (select “Start a Business”). You may also fill out a copy of IRS Form SS-4 (Application for Employer Identification Number) and apply by phone, fax or mail. This form is available at IRS and Social Security Administration Offices, or you can request one by calling **800.829.4933**. You can also obtain a copy of IRS Form SS-4 online at www.irs.gov, or complete the application and mail it to the service center for the District of Columbia at the following address:

IRS 1040

ATTN: EIN Operations

Waverly Avenue

Holtsville, New York 11742

STEP 2: Certificate of Occupancy (CRA-5)

A Certificate of Occupancy or Home Occupation Permit is required to show that your business is operating in a building that meets building and zoning code requirements for its intended use. However, you may not need one if you are leasing space in a building that already holds a Certificate of Occupancy for your intended business use. For instance, a law firm can operate under the umbrella of an office building’s Certificate of Occupancy as long as the firm operates in a manner that conforms to office use.

Certain businesses, mostly Basic Business License applicants (see page 22), need to obtain a separate certificate if the property owner’s Certificate of Occupancy does not cover their business. It’s important, therefore, to ask the owner, property manager, or agent about the Certificate of Occupancy when entering into a lease agreement.

To file for a Certificate of Occupancy for your business, you must either have a commercially zoned business location or operate your business from home. Applications are available from the Department of Consumer and Regulatory Affairs or online at www.dkra.dc.gov under the heading “Zoning.” Once completed, you will need to submit the application in person to the Permit Service Center.

For Commercial Properties Most commercially zoned properties will already have a Certificate of Occupancy. You should be able to get a copy of the certificate from the building owner or Management Company. If there is not a Certificate of Occupancy, you will need to apply for one.

For Home-Based Properties Pursuant to DCMR title 11 Zoning Regulations, if you own and live in your home and use this residency as your primary business location, you must file for a Home Occupation Permit (HOP) or the Expedited Home Occupation Permit (E-HOP), which has a shortened process. There are limitations however as you are only allowed to use 25% of any given room for your business operation. It is wise to check zoning regulations regarding all home-based businesses. If you are renting or leasing your residence and want to use it as your business location, you will need to obtain permission from your landlord to operate. You must include this authorization with the application for the Certificate of Occupancy.

The Department of Consumer and Regulatory Affairs (DCRA)

941 North Capitol Street, NE
Washington, DC 20002

202.442.4400

dcra@dc.gov

Metro: Closest stop is Waterfront-SEU on the Green Line

Hours of Operation:

Monday, Tuesday, Wednesday and Friday
from 8:30 am–4:15 pm; Thursday from
9:30 am–4:30 pm

STEP 3: DC Business Tax Identification Number

The FR-500 is a DC Combined Business Tax Registration document used to provide information on ownership, location, and type of business, which is needed to make a determination of an employing unit's liability to pay unemployment taxes. Once you complete the document and submit to the Office of Tax and Revenue, you will be provided with a notice of business tax registration indicating your tax obligations and filing frequency. It will also be the basis for your unemployment tax registration with the Department of Employment Services.

Tax forms can be accessed online at www.otr.cfo.dc.gov. For more information call the Office of Tax and Revenue at **202.727.4TAX**.

Employers with one or more employees performing services within the District of Columbia, as described in the preceding paragraph, must complete part VI of the Combined Registration Application (FR-500). If the form is completed online at the Office of Tax and Revenue's website (www.otr.cfo.dc.gov), part IV will automatically be forwarded to the Department of Employment Services (DOES). You will be contacted by DOES if necessary and provided with a determination of tax liability. If FR-500 is not completed online, part IV should be submitted to:

DC Department of Employment Services,
Office of Unemployment Compensation, Tax Division,
609 H Street, NE
3rd floor
Washington, DC 20002.

The withholding and submission of employer withholding tax is optional for household employees. If you choose to withhold, you should complete the Combined Registration Application (FR-500), as mentioned above.

STEP 4: Certificate of Registration

You will receive a Certificate of Registration from the Office of Tax and Revenue once you file your FR-500.

STEP 5: Clean Hands Certificate

The Clean Hands Certificate is an affidavit stating that you do not owe more than \$100 to the District Government. If you owe more than \$100 to the District Government, you will need to resolve the outstanding debt before you can proceed. A Clean Hands Certificate is required to be submitted with any application for a license or permit, including a Basic Business License (see "STEP 6" below). The form is included in the Basic Business License application packet.

STEP 6: Basic Business License (BBL)

The Basic Business License, renewed every two years, carries an endorsement for each activity that requires city oversight.

A business needs a BBL if a business or nonprofit requires city approvals, inspections or investigations. These rules apply if you transact businesses in the District, even if your business is not located in the city.

STEP 7: Trade Name Registration

The District of Columbia enacted legislation establishing a registration program for trade names. This law benefits the business community by:

- Allowing businesses to use fictitious names (created words and names) in conducting business, including transacting business with vendors and financial institutions;
- Providing an official record of all owners associated with a fictitious name;
- Allowing businesses with fictitious names to undertake legal action under that name

You can register your trade name online at www.dcrd.dc.gov as an individual or organization, under “Corporate Registration”. You may opt to obtain a trade name at any step in the process.

WDCEP Tip

Requirements for license and permit fees vary greatly according to the type of companies' ownership structure. For more information on DC licenses and permit fees, to obtain a Clean Hands Certificate, or to register a trade name, please visit the Department of Consumer and Regulatory Affairs (DCRA) at: www.dcrd.dc.gov

2

Other Licenses & Permits

In addition to the seven requirements that apply to all business license applicants, your specific business, or construction related to your business, may require additional licenses or permits.

Building Permits

You are required by law to obtain a permit for construction in the District of Columbia if you are going to be constructing or altering your building, home or leased premises. You may apply for permits in the Permit Service Center of the Department of Consumer and Regulatory Affairs.

Please note that other agencies (e.g.: Department of Health, the District Department of Transportation and the Water and Sewer Authority) have their own respective approval requirements. If you need further assistance, or have multiple permits, contact the DCRA, Building Permit Customer Service Section at **202.478.9292**.

You need a permit for:

- New construction and foundations;
- Additions, alterations, or repair of existing buildings;
- Razes (demolition);
- Erection of a sign and awning;
- Layout of interior space for tenants in new or existing commercial buildings

(Search “DCMR Title 12 Chapter 1” online for the entire list of required permits.)

WDCEP Tip

For more information on building permits, plats of survey, public space permits, or any other permits, please visit the Department of Consumer and Regulatory Affairs (DCRA). www.dcr.dc.gov.

Plats of Survey

Plats of survey—drawings showing the location of all property lines—are required as the basis for all additions and new buildings. A set of two plats can be obtained in the District Office of the Surveyor. You are encouraged to place your order a minimum of seven days in advance. Plats show lot lines and site plans show the utility of lines. Plats are required for the following types of work:

- New buildings, additions
- Retaining walls, fences
- Sheds, garages
- Awnings

Site plans are required for:

- New buildings, additions, interior and exterior alterations
- Retaining walls, sheds, garages
- Excavation for foundations

Public Space Permits

A Public Space Permit is required to use or install structures on public space—the area between the building or property line and the curb (restaurants with outdoor sidewalk seating will need to apply for the Sidewalk Café Permit). You are required to complete an application for Public Space Permits in order to:

- Construct sidewalks, alleys, flagpoles, fountains, planter boxes, retaining walls, fences, and any other improvements in public spaces;
- Excavate in public space to construct foundations;
- Occupy public space temporarily for construction equipment

Water or Sewer Excavation Permits

You must complete an application for Water or Sewer Permits to:

- Install water or sewer pipes;
- Make connections to existing water and sewer mains in the street;
- Excavate for water meters and meter vaults in public space

Supplemental Systems Installation Permits

Licensed contractors are required to complete an application for Supplemental Systems Permits in order to install:

- Air conditioning and refrigeration
- Plumbing fixtures
- Electrical fixtures

Floor plans, elevations, cross-sections, and detailed drawings are required in various combinations for all proposed construction, except for razes. You will need a building permit before submitting supplemental plan permits. Permits for simple projects can be issued over the counter in half an hour, while more complex projects may require from 14 to 30 days for completion of reviews. The District Department of Environment (DDOE) offers ENERGY STAR appliance rebates and free home energy audits for District homeowners.

District Department of Environment (DDOE)

www.ddoe.dc.gov | 202.535.2600

Alcoholic Beverage Control Licensing

The Alcoholic Beverage Regulation Administration (ABRA) issues licenses to qualified applicants to serve or sell alcoholic beverages; monitors compliance with the law and regulations; and takes appropriate enforcement action when a business violates DC alcoholic beverage law. ABRA implements new laws regulating the manufacturing, distribution and sale of alcoholic beverages in the District.

ABRA operates under the authority of the Alcoholic Beverage Control (ABC) Board that sets parameters for the agency. ABRA is an independent DC government agency.

There are several classes of ABC licenses. Requirements for licensure vary greatly according to the type of establishment planned. We recommend that you consult with an ABRA representative to first determine the type of license application needed, as determined by the activities of the establishment. Additionally, we recommend that you discuss your proposed location with an ABRA representative to ensure that a license for your location is not prohibited by an existing ABC license moratorium. Once your license is approved, your establishment and/or location are considered Board approved.

To file for an ABC License:

- Consult “Quick Facts” and the “ABC Licensee Handbook” online or call an ABRA representative to determine the type of license application needed
- Call ABRA to schedule an appointment to submit the application
- File for a DC business tax number at the Tax Registration Counter in the One Stop Business Center of the Office of Tax and Revenue
- Submit required application(s)
- Await a 60-day placard period

Additionally, the Board is authorized to conduct a background investigation including a criminal history record check on the applicant. A routine application, with no protests, will take approximately twelve weeks for approval, including the 60-day placard period and final inspections.

www.abra.dc.gov | 202.442.4423



3

BUSINESS FINANCING

Factors of Consideration, the Loan Process, Small Business Lenders, Equity Financing and other Sources of Funding

Most businesses need outside sources of financing to get established or to expand. As a world-class financial center, DC has many banking and financing institutions that can help a business meet its needs. Your funding options include:

- Obtaining a bank loan
- Working with a lender to get a loan guarantee from the U.S. Small Business Administration (SBA)
- Securing funds from an angel investor, venture capital firm or small business investment company

The DC Department of Insurance, Securities and Banking (DISB) promotes the availability of capital for small businesses. In 2004, the DC Mayor introduced a new small business development financing program called the Certified Capital Company (CAPCO) Investment Program (see page 32), which is administered by the DISB.

Factors of Consideration

In order to determine how much business financing you will need and what is available to you, you will need to assess your current resources, complete your financials, and obtain a credit report.

WDCEP TIP

The Fair & Accurate Credit Transaction Act (FACTA) was passed by Congress in 2003 and allows you to obtain one free copy of your credit report from each of the three major credit bureaus every 12 months. For more information, please visit www.fdic.gov and search for "FACTA."

The Five C's of Credit

Capital: How much of your own funds are invested in this business

Capacity: Your ability to repay the loan (this is where your credit report will be crucial)

Collateral: Assets, such as real estate, equipment or inventory that can be liquidated to repay the loan if you default

Conditions: How you plan to use the loan

Character: The general impression of trustworthiness you make on the prospective lender or investor

Your Current Resources

Depending on your start-up and growth strategies, it is advisable that you consider exhausting your current resources before turning to outside financing. These resources include savings, credit cards, loans from family members and friends, etc.

Your Financials (in your Business Plan)

The financial section of your business plan is a critical component of attracting investors and securing funding. You may use the online financial tools provided by the District Government's Business Resource Center at www.brc.dc.gov to gain a solid understanding of your financial position and related goals.

Your Credit Report

Regardless of whether you are going to rely on your current resources or obtain commercial financing, you will need to obtain a copy of your credit report to ensure its accuracy and show potential investors that you are serious about paying back their investments. You may obtain credit reports online or via phone by contacting one of the following:

Equifax: **1.800.685.1111** | www.equifax.com

Experian: **1.888.397.3742** | www.experian.com

Trans Union: **1.800.888.4213** | www.transunion.com

The Loan Process

The best way to get a loan is to work with a bank or lending company. These experts will help you decide which type of loan suits your business. Their advice is valuable and learning about loan types and processes yourself will supplement your knowledge to help you make the best decision.

Applying for a Loan

If you decide to apply for a business loan, your application should include the following information, much of which will be included in your written business plan:

- A description of your business: products or services, market, competitive advantages
- A biography with a summary of qualifications
(Many applicants simply provide resumes of key managers)
- A budget detailing how the funds will be used
- A statement of your equity injection—your personal contribution
(If possible, this should be 20% of the total budget. The remainder is the amount of the requested loan.)

- Business financial statements and tax returns for the last three years, if applicable
- Cash flow projections for at least the next 12 months
- Personal financial statements and three years of tax returns for each owner of the business
- A description of the collateral being offered, in addition to business assets, which often include personal assets such as marketable securities or real estate

The lender will evaluate all of this information before making a decision. In some cases, the application is not quite strong enough to stand on its own. This is often true of start-up businesses or in cases where the collateral is insufficient or the equity injection is too small. In those cases, the lender will sometimes agree to make the loan only with the guarantee of the U.S. Small Business Administration. The lender will guide you through the process and additional paper work involved in obtaining the SBA guarantee.

Types of Loans

Short-Term Loans

Short-term loans must be repaid within a year and are typically used to finance such things as seasonal build-up of inventory or accounts receivable.

Line of Credit A line of credit is a specific amount of money that has been approved and set aside by the bank for you to draw upon as needed. Interest is charged only on the amount of the line that you use. However, banks may charge a commitment fee of 0.5%–1% of the total line for reserving these funds. Lines of credit are used mostly for construction projects.

Time Loan There are no installment payments with time loan. Instead, the entire amount of the loan, plus interest, is paid back at one time. This type of loan is often used to finance a temporary increase in inventory.

Long-Term Loans

With terms of one year and longer, these loans are typically used to finance permanent assets like your core level of inventory, accounts receivable, the expansion of a business, machinery and equipment or construction of a new building.

Term Loan These loans are usually repaid within five years in equal installments of principal, plus interest on the outstanding amount of the loan. As the outstanding principal is reduced, the amount of your total installment payments will go down over the life of the loan.

Revolving Line of Credit A revolving line of credit differs from other lines of credit because it does not require an annual payoff. Reviewed and renewed by the bank on a yearly basis, revolving lines are similar to credit cards with pre-set spending limits. The amount of available funds drops by the amount of money you withdraw and increases as you repay the funds in monthly installments of interest plus principal.

Accounts Receivable An accounts receivable loan is based on the payment history of your customers. This type of loan is often used for government contracts and subcontracts. Banks will either write separate loans, or set aside funds for your use, in an amount usually 75–100% of all accounts receivable invoices that are less than 90 days old (depending on the customer). Typically, a government contract is more reliable than those from the private sector, so the size and length of the loan changes accordingly. Available money is drawn as needed and paid as your customers pay you. Interest is charged only on the outstanding portion of the loan.

Commercial and Industrial Mortgages These are typically used to finance the purchase of real property or a major expansion of the business. Depending on the property you would like to buy or build, most banks will finance up to 75 percent of the property's appraised value or construction cost in the form of a mortgage. However, commercial loans are generally offered for ten years or less. You may be able to reduce these monthly installment payments by basing them on an amortization period, which is longer than the life of the loan. With this loan structure, when the loan is due, you pay off the outstanding principal and interest with a lump sum "balloon payment."

Personal Loans Owners of a start-up or new business can take out long term personal loans from a bank. Because there is no existing track record to evaluate, a banker can base the loan on your personal assets and borrowing record.

Micro-loans

Micro-loans (from \$500–\$35,000) are also a good source of financing. Nontraditional lenders with less stringent financial guidelines than banks usually offer them. They can be used for working capital, machinery, inventory and leasehold improvements.

Local lender you may consider:

Enterprise Development Group
1038 South Highland Street
Arlington, VA 22204
703.685.0510
www.entdevgroup.org

Small Business Administration SBA's Micro-loan Program provides very small loans to start-ups, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.

SBA Loans

7(a) Program The 7(a) program is the SBA's primary loan program. To qualify for the guaranty, a small business must meet the 7(a) criteria, and the lender must certify that it cannot provide funding without the guaranty. The SBA can then

guarantee up to 85 percent on loans of up to \$150,000 and 75 percent on loans in excess of \$150,000. The maximum is usually \$1.5 million. It can be used to expand or renovate facilities, for working capital, or to purchase equipment.

Community Express Loan Program

The Community Express Pilot Loan Program is a unique SBA loan program designed to provide streamlined business financing and management and technical assistance to targeted small businesses. It is a joint initiative between the US Small Business Administration and the National Community Reinvestment Coalition (NCRC). The Community Express program is targeted primarily to “New Markets” small businesses. These are businesses owned by minorities, women and veterans who are underrepresented in the population of business owners compared to their representation in the overall population.

The program is offered through hundreds of selected SBA lenders located throughout the nation. Under Community Express, approved lenders are allowed to use streamlined and expedited loan review and approval procedures to process SBA guaranteed loans. These lenders may use their own loan analysis, loan procedures and loan documentation to process SBA loans up to \$250,000. For more information on all loan programs, visit www.sba.gov/financing.

504 Loan Program

The 504 Loan Program provides long-term, fixed-rate, subordinate mortgage financing for the acquisition and/or renovation of capital assets (includes land, buildings, and equipment). It is characterized by lower down payments, fixed interest rates, long-term repayment terms, and below market rates. It can be used for all project costs, and nearly all for-profit small businesses will be eligible. Below are the three DC area 504 lenders:

Business Finance Group Inc.

703.352.0504

www.businessfinancegroup.org

Chesapeake Business Finance Corporation

202.625.4373

www.chesapeake504.com

Mid-Atlantic Business Finance Company

800.730.0017

www.mabfc.com

Choosing the Right Loan

While there are only two types of loans, short-term and long-term, there are dozens of loan combinations. By understanding the different types of loans on the market, and what each is designed to do, you can select the one best suited for your specific credit needs and circumstances.

Make sure that you feel comfortable with your banker, the bank loan terms, your interest rates, and your ability to repay any loans before you commit yourself. Do your research, as it is often advisable to compare loan packages from more than one lender before making a decision. The SBA offers a wealth of information to businesses, including financing options. For more information, visit www.sba.gov/dc.

If you have difficulty obtaining a loan, or your bank advises you to do so, you may want to secure a loan guaranty from the SBA. Though the SBA does not loan directly to small businesses, it does operate a number of programs that can give your prospective lender additional security when financing your business.

Small Business Lenders

When choosing a lender, it is important that you feel comfortable with both the loan officer and the bank itself. Many banks specialize in particular types of business financing. Others have restrictions on the types of businesses that they will loan to. Don't be afraid to ask questions or submit your loan application to different banks at the same time.

Equity Financing & Other Sources of Funding

Other financing options include venture capital firms, angel investors and small business investment companies. In recent years, DC has added a number of new programs to help businesses open and expand.

Certified Capital Company (CAPCO) Investment Program

The DC Department of Insurance, Securities and Banking (DISB) administers a CAPCO Investment Program for small and start-up businesses in the District of Columbia. The Certified Capital Companies Act of 2003, effective March 10, 2004, authorizes the Certified Capital Company (CAPCO) Investment Program which provides up to \$50 million in tax credits to insurance companies that make money available to certified capital companies, investment firms that specialize in high risk, small and start-up ventures based in the District of Columbia. The CAPCO legislation requires the ventures to be based in the District of Columbia, have 75% District residency of their staff, and employ at least 25% District of Columbia residents. A business applying for CAPCO funds must be a small business as defined by the US Small Business Administration, and the business must be unable to obtain conventional financing from a commercial lender.

202.727.8000 | www.disb.dc.gov

Venture Capital and Private Equity Investment

Venture Capital firms and private equity investment firms generally require some management control (in addition to repayment) in exchange for their financial

WDCEP TIP

For a complete list of SBA certified and preferred lenders in the DC area, visit www.sba.gov/dc and click on "Financing."

investment. An advantage to using private investors is that they bring experience and their networks of contacts to your business.

To obtain a listing of area venture capital firms or other private equity investors, visit the Mid-Atlantic Venture Association (MAVA) online and choose “Member Profiles,” which allows you to search for funders that fit your criteria of industries and/or locations. MAVA is a membership organization of investors, entrepreneurs, advisors, and other company-builders.

703.506.9300 | www.mava.org

Venturehouse Group

Venturehouse Group is a venture capital firm that assists in building entrepreneurial businesses. They offer private equity financing for new businesses. In addition to providing young private companies with investment capital, Venturehouse Group also serves as strategic partners, providing businesses with the expertise, support, infrastructure and the network of services they need.

www.venturehousegroup.com | 202.654.7000.

Small Business Investment Companies (SBICs)

SBICs are licensed and regulated by the SBA and are investment firms that make capital available to small businesses through investments or loans. They also provide management assistance and expect a share of the profits from your business.

Tax-Exempt Bond

Revenue Bond financing is an attractive source of funding for businesses and non-profit organizations that locate or operate within the federally designated Enterprise Zones (see page 49 for more information on Enterprise Zones). A qualified private business can borrow up to \$15 million of tax-exempt bonds to invest in buildings, equipment, and furnishings used for the qualified business. Besides being tax-exempt, the bond financing is usually at least two percentage points below market interest rates. A nonprofit organization is not bound by its location as long as it is within the District of Columbia and may borrow as much as it needs (see *Chapter 5: Financial Incentives for eligibility requirements*).

Tax Increment Financing (TIF)

Tax Increment Financing provides issuance and sale of tax-exempt governmental revenue bonds to finance public infrastructure redevelopment within predetermined geographic areas. Eligible projects for TIF must be consistent with statutory criteria (a redevelopment plan) and typically are supported by project feasibility studies, cost/benefit analysis and development agreements. For more information about TIF, or a complete guide to incentives for DC businesses, visit the Office of the Deputy Mayor for Planning & Economic Development.

www.dcbiz.dc.gov | 202.727.6365.

WDCEP TIP

For more information on Small Business Investment Companies, or to find a local listing, go to www.sba.gov, select “About SBA,” then chose “Investment (SBIC)” from the SBA Program Office drop-down menu.



4

BUSINESS TAXES

*General Business Tax Requirements, Employer Tax Requirements,
Other Types of Business Taxes*

In understanding DC's business taxes, it is important to bear in mind that there are a variety of tax abatement programs for District businesses (*see Chapter 5: Financial Incentives*). There are two different classes of business taxes in the District: general business taxes and employer taxes.

Business Tax Requirements

There are seven major types of business taxes in the District. They are:

Corporate Franchise Tax

If you engage in or carry on a trade or business in the District, and/or receive income from sources within the District, you are required to file Form D-20, Corporate Franchise Tax. You must file the form by the 15th day of the third month following the close of the corporation's taxable year. If the amount of tax owed is less than \$100, the minimum payment of \$100 is required.

Unincorporated Business Franchise Tax

You will need to file Form D-30, the Unincorporated Business Franchise Tax, if your business is unincorporated (sole proprietorship, partnership, joint venture,

etc.), engaging in or carrying on any trade or business in the District of Columbia, deriving rental income and/or receiving other income from sources within the District, whose gross receipts exceed \$12,000 a year.

Sales Tax and Use Tax

If you engage in business activities in the District of Columbia, you must collect sales tax from the purchaser on the sale of:

- Tangible personal property delivered to a customer in DC;
- Certain foods and drinks sold at retail;
- Certain services, rental and leasing of tangible personal property
- Rental of rooms to transients;
- Admissions to certain public events that take place in DC;
- The service of parking, storing, or keeping motor vehicle trailers in DC.

In addition, you must file a Sales and Use Tax Return (Form FR-800M) monthly by the 20th day of the month following the reporting period, unless otherwise notified by the Office of Tax and Revenue.

The Use Tax is imposed at the same rate as the Sales Tax on the purchase or rental of tangible personal property for the purpose of use, storage or consumption in the District from a business outside of the District that does not pay any District or state sales tax.

Personal Property Tax

For any tangible personal property (i.e. furniture, computer, fixtures, books, etc.), which is used or available for business purposes, you are required to file Form FP-31 and pay personal property tax on or before July 31st for each year. This includes property kept in storage or held for rent, which is leased to third parties including governmental agencies, under a “lease-purchase agreement.” The Form FP-31 must be filed and the tax paid on or before July 31st of each year based upon the remaining cost (current value) of all tangible personal property owned as of July 1st. The statute allows filers to exclude \$50,000 of personal property value.

Gross Receipts Tax

If your business falls under one of the following categories, you are subject to the gross receipts tax:

- Utilities and telecommunications companies providing long distance service, cable television, satellite relay or distribution of video or radio transmission to subscribers and paying customers
- Heating oil delivery companies
- Commercial mobile service providers and non-public utility sellers of natural or artificial gas

As there are many types of utilities tax with a variety of forms, questions about this tax should be directed to the Office of Tax and Revenue.

202.727.4TAX(4829) | www.taxpayerservicecenter.com.

Partnership Return of Income (D-65)

Those partnerships which are not required to file a Form D-30 must file a Form D-65.

Nonprofit Organizations

If you run a nonprofit organization you are subject to be taxed on unrelated business income, as defined in Section 512 of the Internal Revenue Code, and are required to file a Form D-20, Corporation Franchise Tax return. The due date for this filing is the 15th day of the fifth month after the close of the organization's tax year.

Taxes on Special Events

Special events are taxable activities, which occur inside the District of Columbia at intervals or only once. Special events include auctions, shows, celebrations, circuses, expositions, entertainment, exhibits, fairs, festivals, fundraisers, historical re-enactments, movies, pageants, parades, and sporting events. Vendors participating in special events are liable for sales tax on items sold during the event.

Promoter Obligations

The promoter must submit an FR500B registration form. The form details the information required about the promoter, the type of event, and the listing of vendors scheduled to be at the event. The promoter must submit to the mayor a list of vendors and exhibitors, including their names, addresses, representatives and telephone numbers, 30 days before the event and resubmit a final list 10 days after the event.

Promoters are also responsible for informing vendors of the District sales tax obligations and filing deadlines. Other obligations for vendors are supplied after the preliminary list is submitted. Vendors, however, are still responsible for filing sales tax returns with the District. The promoter must provide access to the Office of Tax and Revenue to the special event premises and activities to monitor vendor and exhibitor sales as well.

For further questions regarding special events, contact DCRA at **202.442.6805**.

Ballpark Sales Tax and Fees

The Ballpark Omnibus Financing Revenue Act of 2004 DC Law requires that certain persons must pay the Ballpark Fee on June 15th of every fiscal year. To determine if a business is subject to the Ballpark Fee, the business must compute its annual District gross receipts for its most recent taxable year ending before June 15th. This applies to all fee payers located in and outside of the District.

The businesses subject to the Ballpark Fee must have an income of \$5,000,000 or more in annual District gross receipts and either are subject to filing franchise tax

Promoter Penalties

A promoter who fails to submit a preliminary vendor list will pay a penalty of \$1,000 plus \$50 for each day the list is late. This penalty will not exceed \$2,500. Further, a promoter who fails to submit a final list will suffer the same \$1,000 penalty, plus \$50 each day the list is late, not to exceed \$10,000.

returns or employers required to make unemployment insurance contributions. Nonprofit organizations that qualify as exempt organizations for District franchise tax purposes are exempt from the fee requirement, unless the organization has \$5,000,000 or more in annual District receipts from conducting unrelated business activity.

Rate schedule

REVENUES	FEE
\$5–8M	\$5,500
\$8–12M	\$10,800
\$12–16M	\$14,000
\$16M+	\$16,500

The Office of Tax and Revenue (OTR) requires that fee payers file and pay a Ballpark Fee return electronically. In order to file and pay electronically, a fee payer must:

- Have a valid Federal Tax Identification Number (FEIN), and
- Have filed a completely executed FR-500 (*Combined Business Tax Registration Form*).

202.727.4TAX (4829) | www.taxpayerservicecenter.com.

WASHINGTON DC WOMEN'S BUSINESS CENTER

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The Washington DC Women's Business Center offers:

- ★ *Motivating seminars and workshops*
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Washington, DC: Women's Business Center
54 New York Avenue, N.E. Washington, DC 20002 • Phone: 202.871-9144
Email: info@wbc.org

Visit our website: www.wbc.org



BUILDING PARTNERSHIPS: WORKING TOGETHER FOR SUCCESS

WE SUPPORT THE ECONOMIC GROWTH of the Greater Washington, DC region by OPENING DOORS to Hispanic and other minority-owned businesses and PROVIDING EDUCATIONAL PROGRAMS, mentoring, advocacy, networking and access to capital.

WE MARKET AND PROMOTE Washington, DC as a premier destination for business, conventions, conferences, tourism, and special events.

WE HAVE REPRESENTED the interests of Hispanic-owned businesses and the community for over 30 years.



910 17TH STREET, NW | SUITE 1000 | WASHINGTON, DC 20036
P: 202.724.4332 | F: 202.724.4333 | WWW.GW400.ORG

Employer Tax Requirements

The following chart is a description of how your organization will be taxed based on ownership structure type¹:

COMPANY TYPE	TAX REQUIREMENTS
General Partnership	Profits are personally taxed to partners based on percentage of ownership Can claim on personal taxes
Limited Partnership	Profits are personally taxed to partners based on percentage of ownership Can claim on personal taxes
Limited Liability Partnership	Special tax consequences
S Corporation	Profits are personally taxed to parts based on percentage of ownership Shareholders taxed on dividends
C Corporation	Corporate earnings are subject to “double-taxation” when corporation are taxed and shareholders receive dividends
Nonprofit	May seek to be exempt from taxation, which requires the approval of the IRS under specific guidelines
Limited Liability Corporation	Corporation is taxed on earnings, owners only taxed on income taken out of business Some additional tax benefits
Sole Proprietorship	Profits are personally taxed to owner Offers few tax benefits

Unemployment Taxes

If you are an employer in the District of Columbia with at least one full-time or part-time employee, you are required to register Part VI of the Combined Business Tax Registration Form for unemployment taxes. Each employer that is determined liable for taxes is assigned an account number. This number identifies the employer's individual account, which is a record of taxes paid by the employer and charges made against the employer by former employees.

Liable employers must file quarterly tax and wage reports with the Department of Employment Services (DOES) Tax Division on or before the last day of April, July, October, and January of each year. Reporting forms imprinted with your information will be mailed to you roughly five weeks before each due date. Employers who employ only household employees may elect to file tax and wage reports annually rather than quarterly.

Important Note

If you are an employer with one or more employees performing services within the District of Columbia, you are liable for unemployment taxes under the District of Columbia Unemployment Compensation Act. This includes services performed on a part time or temporary basis. Employers of household help are also liable if they pay at least \$500 in aggregate wages in any calendar quarter for such help. Persons considered household employees include chauffeurs, cooks, gardeners, nurses, maids and baby-sitters who are at least 18 years of age.

1. DOES (does.dc.gov)

The amount of tax due is based on a specified tax rate of taxable wages for the quarter. As the employer you are solely responsible for the taxes—no part of the tax should be deducted from the employee’s wages. Taxes are based on gross wages before any amount is withheld for any purpose. Gross wages include salaries, commissions, bonuses and the cash value of any remuneration payable to the employee in a medium other than cash (i.e., lodging, meals, etc.). Taxes are payable for the first \$9,000 paid to each employee during a calendar year. A newly liable employer pays taxes at the rate of 2.7% for calendar year 2005. Nonprofit organizations covered under the UC (Unemployment Compensation) law may elect to reimburse DOES for benefits paid to their former employees, rather than paying quarterly contributions at a predetermined rate.

For more information on the District’s compensation law pertaining to taxes, contact the Office of Unemployment Compensation Tax Division at **202.698.7550**.

For Nonprofit Organizations

If you are exempt from federal Unemployment taxes, you have two options to finance unemployment insurance coverage:

- Payment of contributions at the rate assigned by the DC Department of Employment Services.

The rate is applied to the taxable wages earned by each employee during a calendar year. Contributions are paid on a quarterly calendar basis.

OR

- Reimbursement of the trust fund.

At the end of each calendar quarter, the employer is billed for unemployment benefits paid to its former employees during the quarter.

Employer Withholding Forms

All employers with businesses located in DC are required to deduct and withhold District income tax from employees’ wages and pay the District the exact amount of withholding as shown in the withholding tables.

Delinquent on Taxes

As a new business owner, it is critically important that you understand and comply with all of the tax requirements based on your business type and operations.

The Office of Tax and Revenue (OTR) encourages businesses and individuals that are not in compliance with District tax laws to voluntarily come forward to bring their accounts into compliance through the Voluntary Disclosure Program. Participation in the Voluntary Disclosure Program can be anonymous or under the taxpayer’s identity. OTR will waive civil penalties if the tax and interest is paid in full.

Jobs

- Business Services Group
- Recruitment Assistance (www.jobs.dc.gov)
- First Source Agreement Program
- Work Opportunity Tax Credit (WOTC)
- Employer Advocacy Program
- Unemployment Insurance Appeals Assistance
- Employer Taxes

The D.C. Department of Employment Services is committed to the economic growth of our residents and businesses. Your mission is our mission. Visit us today. www.doos.dc.gov.



Government of the District of Columbia
Adrian M. Fenty, Mayor

Department of Employment Services
Joseph P. Welsh, Director



5

FINANCIAL INCENTIVES

*Summary of Financial Incentive Programs, DC Enterprise Zone Program,
New E-conomy Transformation Act (NET 2000)*

One of the great advantages of operating your business in the nation's capital is that you can take advantage of the variety of programs designed to provide tax and other financial benefits to businesses through federal and District incentives.

This section gives you an easy reference to some of the most common incentives for small businesses and discusses two of them in greater details— the DC Enterprise Zone program and the New E-conomy Act of 2000.

For a complete guide to incentives for DC businesses, please contact the Office of the Deputy Mayor for Planning and Economic Development at **202.727.6365** or **www.dcbiz.dc.gov**. To learn about laws and regulations pertaining to each program and the exact impact of these incentives on your business, you should consult a tax advisor or refer to U.S. IRS publications located at **www.irs.gov**.

The DC Enterprise Zone Program

The District of Columbia “Enterprise Zone” (EZ) Program was established in 1997 by the Federal Government to stimulate economic growth and job development in the nation's capital. Businesses who qualify for the EZ incentives are entitled to more than \$1.2 billion of federal tax credits, deductions, exemptions and exclusions. Primary Enterprise Zones are defined as 20% or higher poverty rates based on 1990 censuses dates; Primary Enterprise Zones are eligible for all EZ incentives.

WDCEP TIP

Over 50% of DC has been designated as either a Primary or Secondary Enterprise Zone.

Secondary Enterprise Zones are defined as between 10–20% poverty based on census tract. Second tier EZs are only eligible for the federal capital gains tax exemption and personal property tax exemption.

Eligibility for EZ Incentives*

To determine if your business is located within an Enterprise Zone, visit the Office of the Deputy Mayor for Planning and Economic Development online at www.dcbiz.dc.gov and click on “DC Economic Development Map.” You may also visit the Department of Housing and Urban Development’s Address Locator online at www.hud.gov. If you have questions about a specific address, please contact the DC Revenue Bond-Enterprise Zone Program Office at **202.727.6365**.

To be a qualified Enterprise Zone business, your business will need to meet the following criteria:

- Operates as a corporation, nonprofit, partnership, LLC or sole proprietorship
- Only trade or business is the active conduct of a “qualified business” as defined by the IRS: a business that does not primarily develop or hold intangibles for sale or license (IRS Publication 954)
- At least 50% of business income is from the active conduct of a trade or business within the EZ
- A substantial portion of the tangible property and non-tangible property is used in the active conduct of a qualified business
- A substantial portion of the services performed for the business by its employees is performed in the EZ

Incentives Available to EZ Business

A Qualified Enterprise Zone Business (QEZB) may take advantage of the following incentives:

Tax-Exempt Bond Financing

The DC Revenue Bond program provides below market interest rate loans to qualified private businesses that are located in the EZ, as well as nonprofit and manufacturing organizations citywide. Each QEZB is eligible for up to \$15 million of tax-exempt “EZ bonds” (no limit for nonprofit organizations) to finance depreciable tangible property, including buildings, equipment, and furnishings used in the business. “Tax-exempt” bond financing means that the holder of the debt does not have to pay federal income tax on the interest earned from the investment, thereby lending money at lower rates than typical “taxable” securities. You can issue bonds to assist in financing a broad variety of capital projects and eligible EZ bond projects including:

- Construction and renovation of a building
- Equipment acquisition
- Land and building acquisition
- Tenant improvements

WDCEP TIP

If you did not take advantage of the EZ incentives for previous years, you may contact the Internal Revenue Service and ask for an amendment to the previous year’s tax filing.

Program funds are generated through the issuance and sale of tax-exempt and taxable municipal revenue bonds, notes, or other obligations. Proceeds from the sale of these securities are loaned to borrowers and may be used to finance, refinance and reimburse costs of acquiring, constructing, restoring, rehabilitating, expanding, improving, equipping and furnishing real property and related and subordinate facilities. Because of related costs, revenue bond financing may not be cost effective for businesses seeking less than \$2 million in financing.

Federal Capital Gains Tax Exemption

If your business derives at least 80% (a requirement for this provision only) of its total gross income from business conducted within the EZ, then you are eligible for exclusion of federal capital gains taxes on the sale of stock, partnership interests, or property. The investment must be held for a minimum of five years.

DC Employment Tax Credits

Each QEZB may claim a tax credit of up to \$3,000 for each DC resident employee at the EZ facility. Businesses may claim the littlest of \$3,000 or 20% of the first \$15,000 in qualified wages for each qualified employee during each of the five tax years. The tax credit is applicable to both existing and new employees, as well as full-time and part-time employees.

Increased Expensing Allowance

A QEZB may claim an additional \$20,000 expensing allowance if business equipment and depreciable property was purchased.

Work Opportunity Tax Credits (WOTC)

A DC-based business may also claim up to \$9,000 in WOTC tax credits over two years for each employee who was previously a “long-term family assistance recipient.” A separate \$2,400 tax credit is available for qualified employees, including youth living within the Enterprise Zones and recipients of supplemental social security benefits in the first year of employment. These are nationwide tax credits and generally have no employee residency requirements.

To receive certification that a new employee qualifies the employer for this tax credit, the employer must:

1. Complete page one of the IRS Form 8850 by the day the job offer is made.
2. Complete page two of IRS form 8850 after the individual is hired.
3. Complete either the one page ETA Form 9061 or Form 9062 as appropriate.

For example:

- If the new employee has already been conditionally certified as belonging to a WOTC target group by a state workforce agency (SWA) or participating agency, complete the bottom part of ETA Form 9062, sign and date it, or

WDCEP TIP

All 501(c)(3) organizations are eligible for the tax-exempt revenue bonds regardless of their location in the District. In addition, there is no limit to the amount of bonds that can be issued on behalf of nonprofit borrowers.

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EZ Business Example

In June 1998, Capital City Investment Club (CCIC) paid \$20,000 in cash for stock in JD Flowers, Inc., a garden and florist shop located in the DC Enterprise Zone at Alabama Avenue and Stanton Road, SE. The funds were used by the company to acquire, equip and furnish the vacant building and a rear lot next door, which more than doubled the size of JD's operations. In September 2003, CCIC sold its JD stock for \$28,000, which was distributed among its original four members. Since CCIC paid cash for the stock of an enterprise zone business and did not withdraw that investment for five years, the \$2,000 earnings distributed to each member is not subject to federal capital gains taxation.

- If the new employee has not been conditionally certified, the employer and the new employee must complete, sign and date ETA Form 9061.

4. Mail the completed and signed IRS and ETA forms to the employer's state work-force agency within 28 days after the employee's employment-start date.

You can find these forms online at www.irs.gov or request to receive the forms by mail at **1.800.829.3676**.

New E-economy Transformation Act (NET 2000)

The District offers one of the most attractive incentive packages for high-tech businesses in the country. The New E-economy Transformation Act of 2000 (NET 2000), provides certain credits, exemptions and other benefits for a Qualified High Technology Company (QHTC). A QHTC can leverage the NET 2000 Act to develop their workforce, secure affordable facilities for their business and benefit from reduced real estate, personal property, sales and income taxes.

Claiming NET 2000 Benefits

To qualify as a QHTC, a business will need to attach the forms listed below to any tax return claiming the benefits of NET 2000. You may obtain these forms online at www.dcbiz.dc.gov or www.otr.cfo.dc.gov, or you may contact the District's Office of Tax and Revenue, Tax Form Center at **202.442.4829**.

Required Forms for NET 2000 Application

- **Publication 399:** Qualified High Technology Companies (description of and forms for claiming tax benefits)
- **QHTC-CERT 2001:** Certification for Qualified High (Technology Company Form)
- **D-20CR:** Business Tax Credits Form (file with form D-20)
- **D-30CR:** Business Tax Credits Return Form (file with form FP-332)
- **FP-332:** Claim for Refund of Retaining Costs Form
- **FP-331/337:** Claim for Refund of Sales & Use Tax, Exempt Purchase Certificate Forms

NET 2000 Financial Incentives

A QHTC can expect a significant tax break with the following tax abatements:

Franchise Tax Reduction or Exemption

- Zero franchise tax on unincorporated technology business
- Five-year elimination of franchise tax on incorporated technology companies located within the High Technology Development Zones
- Reduced franchise tax of 6% for incorporated tech companies located outside of the tech zones but within the District of Columbia

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High Technology Development Zones

The District of Columbia's High Technology Development Zones are designated high priority areas in DC.

*To determine whether a business is located in a high technology zone, you may go to www.dcbiz.dc.gov, click on "Citywide Incentives" and then click "High-Tech Development Zones" or call the Office of Tax and Revenue's Office of the Director at **202.442.6500**.*

It is worth noting that DC's high-tech zones include all of DC's Enterprise Zones (EZ). So if your business is in an EZ, you are also in a high-tech zone and can qualify for both the federal and local business incentives.

Real Property Tax Abatement

- A five-year abatement of increases in property tax rates attributable to renovations to accommodate technology companies and for certain newly constructed buildings

Personal Property Tax Abatement

- A 10-year exemption of personal property taxes on certain purchases made after December 31, 2000
- An allowance of up to \$40,000 in personal property expense deductions

Sales and Use Tax Exemption

- Elimination of DC sales tax on certain sales to eligible companies
- Sales by eligible companies of certain intangible property or services are not taxable

Capital Gains Tax Exemption

- An exemption from District taxation of certain capital gains from the sale, exchange or rollover of stock, partnership interests and other assets of qualified high tech companies held for a minimum of five years

Workforce Development Credits

NET 2000 provides credits to the franchise tax for wages paid and certain expenditures made on behalf of employees:

Relocation Expense Reimbursement For companies that move at least two full-time jobs to DC.

- A credit of \$5,000 per employee for reimbursement of employee moving expenses capped at \$250,000 per company per year
- A credit of \$7,500 per employee for reimbursement of employee moving expenses and payments for the employee's lease or purchase of a primary residence if the employee relocates to DC from outside DC, capped at \$1,000,000 per company per year

Wage Credit You may claim credit of 10% of wages paid for the first 24 months of employment, up to \$5,000 per employee per year.

Training and Wage Credits For employees that are recipients of Temporary Aid for Needy Families (TANF) or ex-offenders; also applies to employees for whom the company may claim the Welfare-to-Work Tax Credit or the Work Opportunity Tax Credit (see explanations for those in "Federal Tax Incentives").

- A credit for each employee of up to \$20,000 for costs of approved training during the first 18 months of employment.
- A credit of 50% of wages paid for the first 24 months of employment, up to \$15,000 per employee per year.

NET 2000 Contact

*If you have questions about the NET 2000 Act, please contact the Office of Tax and Revenue's Office of the General Counsel at **202.442.6500**, the Office of the Deputy Mayor for Planning and Economic Development at **202.727.6365**, or refer to DC Law 13-256 and related regulations to determine eligibility.*

Summary for Financial Incentive Programs*

Revenue Bond Program

Provides issuance and sale of tax-exempt bonds to finance, refinance; reimburses costs of capital projects, including property acquisitions, renovations, construction and purchase of machinery and equipment

eligibility

- Borrower must be a qualified 501(c)(3) nonprofit manufacturer within the District of Columbia

Revenue Bond and Enterprise Zone Program

202.727.6365 | www.dcbiz.dc.gov

Enterprise Zone Program (EZ)

Businesses can borrow up to \$15 million of federal tax exempt bonds to finance capital projects; annual federal employment tax credit of up to \$3,000 for each DC resident employee; increased federal expensing allowance

eligibility

- Business has primary location within a federally designated EZ
- 50% of business income earned in an EZ
- Substantial portion of business property, services and workers are within an EZ

Revenue Bond & Enterprise Zone Program

202.727.6365 | www.dcbiz.dc.gov

Work Opportunity Tax Credit

A business can receive \$2,400 for each new adult hire; \$1,200 for each new summer youth hire; and \$9,000 for each new long-term family assistance recipient hired over a two-year period

eligibility

- New employees that belong to one of the nine target groups, including: qualified TAN recipients; qualified ex-felons; qualified veterans; qualified food stamp recipients; qualified SSI recipients; long-term family assistance recipients
- For a complete list and more detailed information please visit www.doleta.gov and search for “WOTC”

DC Department of Employment Services

www.does.dc.gov

Customized Training Program

Employers are reimbursed for funds spent to train District residents as skilled employees; maximum \$500,000 per contract

eligibility

- Must submit funding request to Department of Employment Services and negotiate single source contract

Office of the Deputy Director

Department of Employment Services

202.658.5810 | www.does.dc.gov

CBE Certification Program (DC Government), HUBZone, SDB & 8(a) Programs (Federal Government)

For all government contracting programs including both DC’s program and the federal government’s programs please see the summary chart in Chapter 10: Doing Business with Government.

DC CAPCO

\$50 million as capital to support small business and start-up business

eligibility

- Capital needs of \$100,000 or more
- Must be headquartered in DC and at least 75% of your employees must work in DC and 25% must live in DC

Department of Insurance, Securities and Banking
202.727.8000

Tax Increment Financing (TIF)

Provides issuance and sale of tax-exempt governmental revenue bonds to finance public infrastructure redevelopment within predetermined geographic areas

eligibility

- Eligible projects must be consistent with statutory criteria (a redevelopment plan) and typically are supported by project feasibility studies, cost/benefit analysis and development agreements

Office of the Deputy Mayor for Planning & Economic Development
202.727.6365 | www.dcbiz.dc.gov

Supermarket Tax Exemption

Ten-year exemption of real estate and personal property taxes and license fees; exemptions of sales and use taxes on building materials for construction or rehabilitation

eligibility

- Must be a qualified supermarket in a priority development area

Office of the Deputy Mayor for Planning & Economic Development
202.727.6365 | www.dcbiz.dc.gov

New E-economy Transformation Act of 2000 (Net 2000)

Variety of incentives for technology companies:

- Exemption of certain capital gains from the sale, exchange or rollover of stock, partnership interest and other assets for five years
- Credit for each employee of up to \$20,000 for costs of approved training during the first 18 months of employment
- Ten-year exemption of personal property taxes for purchases made after 12/31/2000 and an allowance for up to \$40,000 in personal property expense deduction
- \$5,000 reimbursement of certain moving expenses or up to \$7,500 reimbursement of payments for lease or purchase of employee's primary residence in DC
- Credit of 10% of wages paid for the first 24 months of employment, up to \$5,000 per employee

eligibility

- Must be certified as Qualified High Technology Company (QHTC), meeting following criteria:
 - Individual or for-profit with two or more employees
 - Maintain an office, headquarters or base of operations in DC
 - Derives 51% or more of gross revenues from a high tech business as defined by law
 - Located in Primary Enterprise Zone

To determine eligibility:

Office of Tax & Revenue's

Office of the General Counsel

202.442.6509 | www.otr.cfo.dc.gov

For forms:

Office of Tax & Revenue's Tax Forms Office

202.727.4TAX | www.otr.cfo.dc.gov



6

FINDING TALENT & LABOR LAWS

Resources for Finding Talent, Local & Federal Labor Laws, Employment Regulation

In order to hire a qualified employee, companies must consider a wide variety of traits, such as skill level, job flexibility, and experience. But finding talent is only the first step in the recruitment process; companies must also understand the relevant labor laws concerning the governance of employees.

Finding Talent

Locating the right person to hire can be a major challenge, but bear in mind that DC has an extensive job market. In 2009, the unemployment rate in the District of Columbia averaged 10 percent¹. Furthermore, DC currently ranks first in the nation in the professional, scientific, and management industries.

Look broadly at ways to fill your employment needs:

- **Be flexible.** Can your needs be fulfilled by part-time employees, as opposed to full-time employees? Can student interns or recent graduates be of assistance?
- **Consider hiring independent contractors for assignments.** Contractors' hourly rates may be higher than the respective wages of full-time employees, but contractors are hired for a pre-defined and limited amount of time. Additionally, contractors do not receive benefits.
- **Develop an attractive package.** Most small businesses cannot afford a pension or profit-sharing plan, but can offer perks like flexible scheduling, telecommuting, additional vacation leave or free transportation.

1. Bureau of Labor Statistics Data

Suggestions for finding talent in DC:

- Attend professional and networking events.
- Contact and/or join industry specific professional associations.
- Post advertisements in newspapers, publications, journals and online.
- Hire an executive recruitment firm for professional staffing needs.

The Department of Employment Services (DOES) Assistance Programs

Additionally, the District government can assist with your recruitment efforts. The Department of Employment Services (DOES) has implemented a number of assistance programs to small businesses that can help attract qualified talent. The DOES supported job development efforts include:

First Source Agreement

The First Source Agreement program grants DC residents priority for new jobs created by municipal financing -- either in-part or in-full -- and development programs. All beneficiaries of contractual agreements totaling \$100,000 or more are required to enter into a First Source Agreement with DOES and to utilize DOES as a first source for recruitment, referral, and placement of employees.

Job Order Processing

Individual employer job specifications and necessary worker qualifications are recorded and made available to qualified applicants both locally and on America's Job Bank via the internet. The staff meets employer job needs consistent with Equal Employment Opportunity (EEO) principles through the selection and timely referral of qualified permanent full-time, temporary, and part-time workers. The department's special initiatives are to:

- Assist with the coordination of the Washington Region Access to Jobs Program
- Administer the Work Opportunity and Welfare-To-Work Tax Credit
- Assist public/private organizations with special recruitments

One Stop

Area employers can use the online One Stop to place job orders and search for applicants by skill set or position. The system also accommodates the employer looking for specific industrial and economic data.

www.dcnetworks.org | 202.724.7000

In addition to First Source Agreement, Job Order Processing and the online One Stop, the DOES also supports job development efforts associated with:

- | | |
|----------------------------|--|
| • Mayor's Retail Summit | • Focused Improvement Area Initiative |
| • Citywide Job Fair | • Minority Business Development Center |
| • Business Resource Center | |

www.does.dc.gov

Understanding Employment & Labor Laws

The District of Columbia has specific laws concerning the hiring, firing and treatment of employees. Several agencies and nonprofit organizations offer assistance to understanding employment and labor laws in DC:

- **The Small Business Administration**, a federal agency devoted to helping small businesses, offers a counseling service (SCORE), and can provide guidance on a range of human resource topics. **202.272.0390 | www.scoredc.org**
- **The DC Chamber of Commerce Business Resource Center (DCCCBRC)** provides technical assistance to small business owners on many issues, including employment laws. **202.545.0220 | www.brc.dc.gov/gabrc**
- **The Department of Small and Local Business Development's Enhanced Business Information Center (e-BIC)**, located in the Martin Luther King Jr. Library, provides free consulting for entrepreneurs. **202.727.2241**
- Hiring a lawyer specializing in employment and labor law is recommended to assure compliance. If you would like a referral based on your specific needs, contact the Bar Association of the District of Columbia. **202.223.6600 | www.badc.org**

Labor Laws: Workers' Protection and Labor Standards

The Department of Employment Services (DOES) plans, develops and administers employment related services to all segments of the District of Columbia population. DOES houses up-to-date information on a broad range of labor topics including:

- Wage and Hour Standards
- Workers' Compensation
- Occupational Safety and Health
- Alien Certification
- Child Labor Laws

Wage Hour Laws

Effective July 24, 2009, the minimum wage in the District of Columbia is \$8.25. If you are a restaurateur, however, the minimum wage for your tip earning staff is \$2.77. Other wage hour laws to take note of include the Wage Payment and Wage Collection Law, the Wage Garnishment Law, the Seats Law and the Wage Hours Rules.

Workers' Compensation Program

This program is designed to ensure that your employees who may become injured or disabled on the job are provided with fixed monetary awards.

Occupational Safety and Health

The Office of Occupational Safety and Health (OSH) provides onsite consultation services to private-sector employers in the District of Columbia. OSH establishes and

Employer Tax Credits

The Employer Tax Credit encourages employers to hire job seekers from targeted groups by reducing employers' federal tax liability when they hire eligible DC residents.

Welfare-to-Work

Guarantees a federal tax liability reduction up to \$9,000 for each eligible new hire during their first two years of work.

Work Opportunity

Reduces businesses' federal tax liability up to \$2,400 for each eligible new employee.

DC Employment

Allows District businesses to claim \$3,000 in tax credit if they employ District residents in the District's enterprise zones.

maintains a safety and health management program that ensures, to the maximum extent possible, a safe and healthy work environment for employees.

Alien Certification

Find out if you can hire workers from abroad to help grow your business. The Immigration and Nationality Act of 1965 stipulates that certain aliens may obtain a visa to enter the U.S. and engage in permanent employment.

Child Labor Laws

No minor under 18 can be employed for more than 6 consecutive days in any one week or more than 48 hours in any one week or more than 8 hours in any one day. Visit DOES online for additional information on any of the above topics.

www.does.dc.gov

Leave Acts

One of the newest, and most unique, laws to DC—the DC Accrued Sick and Safe Leave Act, which became effective May 2008—requires that DC employers must provide paid leave to employees for physical and mental illness, preventive medical care, family care and certain absences associated with domestic violence or sexual abuse. The amount of leave an employer is required to provide depends on the size of the organization or business.

The DC Family Medical Leave Act requires employers with twenty or more employees in the District of Columbia to provide 16 weeks of job-guaranteed medical leave to qualified employees with a serious health condition every 24 months. Note that this is four weeks more than the 12 weeks required by federal law.

Similarly, the DC Parental Leave Act entitles an employee up to 16 weeks of family leave during a 24-month period for the birth or adoption of a child or to care for a family member.

DC Office of Human Rights: 202.727.4559 | www.ohr.dc.gov.

Human Rights Laws

The federal government has strict laws that forbid employment discrimination based on race, sex, color, religion, national origin, age, pregnancy or physical disability. DC's Office of Human Rights provides free Equal Employment Opportunity (EEO)-related training sessions.

The Equal Pay Act, which applies to all businesses, requires that women doing the same job as men be paid the same salary.

The Americans with Disabilities Act (ADA) is a federal civil rights law that prohibits the exclusion of people with disabilities from participating in every day activities. As a business owner, you need to be especially aware of ADA guidelines if you have more than 15 employees. Contact the ADA at 800.514.0301 | www.ada.gov.

If your business has twenty or more employees, take note of the Age Discrimination in Employment Act. Age discrimination occurs when an individual is treated unfavorably in his or her employment situation because of his or her age.

Sexual harassment laws are another concern for growing businesses. Consider adopting written policies that protect employees from being fired, or not being promoted, because of failure to succumb to the sexual advances of their superiors or sexual comments or references that can make them feel uncomfortable in the workplace.

To set up a training program at your company's site on topics such as basic EEO training, diversity training, and sexual harassment training, contact the DC Office of Human Rights at **202.727.3545** | www.ohr.dc.gov.

Information Required to Display Visibly

Employers in the District of Columbia are required by law to display specific employment-related posters in locations accessible to their employees. A listing of these posters, and the appropriate District of Columbia Government offices where they may be obtained, is provided below:

Wage and Hour

Office of Wage-Hour | 202.671.1880 | www.does.dc.gov

Unemployment Compensation

Office of Unemployment Compensation | 202.724.7072 | www.does.dc.gov

Workers' Compensation (Private Sector)

Office of Workers' Compensation | 202.671.1000 | www.does.dc.gov

Occupational Safety and Health (Private Sector)

Office of Occupational Safety and Health | 202.671.1800 | www.does.dc.gov

Child Labor Law

U.S. Department of Labor | 1.866.487.9243 | www.dol.gov

Family Medical Leave Act

DC Office of Human Rights | 202.727.4559 | www.ohr.dc.gov

Equal Employment Opportunity

DC Office of Human Rights | 202.727.4559 | www.ohr.dc.gov





BUSINESS INSURANCE

Workers' Compensation Insurance, Business Property and Liability, Bonding, DC Captive Insurance

An important aspect of any business planning is dealing with potential exposure to loss. Business insurance is the process of transferring potential business-related risks to an insurance company for a price or premium.

The DC Department of Insurance, Securities and Banking (DISB) regulates all financial industries in the District of Columbia. This includes insurance companies and producers, broker-dealers, mortgage lenders and check cashers to name a few.

One of the insurance resources DISB has promoted for small businesses is Insure-U for Small Business. Created by the National Association of Insurance Commissioners, of which DISB is a member, Insure-U for Small Business is a comprehensive public education program to assist small businesses with information about business risks and insurance options. Insure-U for Small Business includes an online education site and public service announcements in English and Spanish.

The Insure-U for Small Business curriculum, available at www.insureUonline.org/smallbusiness, includes six categories of vital information to small businesses:

- Workers' Compensation
- Group Health and Disability
- Business Property and Liability
- Commercial Auto
- Group Life and Key Person Life
- Home-based Business Insurance

Workers' Compensation Insurance

Workers' compensation insurance protects a business owner from claims made by employees who experience a work-related injury or illness—sustained either on business premises or due to business operations. In the District, most companies are required to carry workers' compensation insurance for their employees. You will need a separate workers' compensation policy for this type of coverage. Check with the DISB to see what is required for your business.

Typically, workers' compensation covers the employee's medical expenses, rehabilitation costs and lost wages. If you do not have workers' compensation and one of your employees is injured on the job, your business may be liable for any medical expenses that individual incurs. You might also face fines and penalties for noncompliance.

The U.S. Department of Labor's Occupational Safety & Health Administration (OSHA) offers specific information by industry type and provides other helpful resources to small businesses on how to comply with safety requirements that can limit work injuries. To learn more, visit the OSHA website at www.osha.gov/dcsp/smallbusiness.

The Office of Workers' Compensation processes claims and monitors the payment of benefits to injured private-sector employees in the District of Columbia. The program mediates disputes, monitors employer compliance and administers the Special Fund, which provides benefits in cases of uninsured employers or in situations where an injury combines with a pre-existing disability and causes a greater disability.

Office of Workers' Compensation Labor Standards Bureau

64 New York Avenue, NE,
2nd Floor,
Washington, DC 20002
202.671.1000.

Group Health & Disability

Providing health insurance for employees—by far the single most expensive benefit offered by employers—is one of the greatest challenges many businesses face today. As business owners know, health insurance is extremely important to most employees and is therefore a very powerful benefit in recruiting and retaining the best workers. Cost and availability of health insurance are the key issues.

Small group health insurance provided by insurers is regulated by the District of Columbia. However, federal law mandates that an insurer cannot deny coverage to a small business due to the health status or illness of its employees or their depen-

dents. In addition, self-insured health plans (where an employer insures itself), are regulated by a federal law called ERISA (Employees Retirement Income Security Act of 1974). It is rare for a company to self-insure its health insurance.

Business owners are not legally required to offer health insurance. However, in an effort to provide health insurance to those residents without it, several states recently introduced legislation focused on providing universal health coverage. Check with DISB to understand the current laws in the District of Columbia and how they might affect your organization.

www.disb.dc.gov | 202.727.8000

WDCEP Tip

For any additional questions or concerns regarding the various forms of business insurance, please contact the Small Business Administration (SBA)

www.sba.gov | 800.827.5722

Group Disability Insurance

As a business owner, you may want to consider offering disability insurance to your employees should they become ill and unable to work. There are two types of disability insurance:

Short-term disability covers a portion of the policyholder's salary for a short period, typically from three to six months following a disability. The specific time period and percentage of replaced income varies with different policies.

According to the Small Business Administration (SBA), employers may specify a number of days of sick leave paid at 100 percent of salary. The employee can use these before short-term disability begins.

Long-term disability coverage typically begins after the policyholder is disabled and unable to work for at least six months. It can extend for a specified number of years or until the insured retires or reaches the age of 65, depending on the policy selected.

Business Property & Liability

Property insurance protects small business owners from losses due to damage to physical space or equipment, or as a result of theft. For insurance purposes, a business property includes the physical building in which it resides, as well as its other assets.

There are three types of property insurance plans:

- **Basic form**, which includes losses resulting from a fire, lightning, windstorm, and/or hail and explosion, plus the cost of removing property to protect it from further damage.
- **Broad form**, which includes basic plus extended coverage for other types of perils, such as a roof collapse (e.g. caused by snow or ice), riot and civil commotion, etc.
- **Special form**, which includes basic and broad, and covers all direct physical losses except conditions specifically excluded as listed in the policy.

With property insurance you can buy either actual cash value or replacement cost insurance.

WDCEP TIP

All of the following, owned or leased, can be considered business property:

- the actual building;
 - inventory;
 - furniture, equipment and supplies;
 - machinery;
 - computers and other data processing equipment;
 - valuable papers, books and documents;
 - artwork and antiques;
 - television sets, VCRs, DVD players, satellite dishes;
 - signs, fences and outdoor property not attached to a building;
- and
- non-tangible items such as trademarks and copyrights.

Actual cash value insurance reimburses you for the value of lost, damaged or stolen goods after depreciation. Replacement cost insurance reimburses you the amount it would take to replace, rebuild or repair damages with materials of similar kind and quality, without deducting for depreciation.

Business Interruption/Continuation Insurance

This type of insurance covers lost earnings due to a circumstance covered by one of the property insurance plans you purchased, such as a fire or theft that shuts down your business for an extended period of time. Business interruption/continuation insurance covers expenses associated with running a business—such as payroll and utility bills—based on the company’s financial records.

Business interruption/continuation coverage can be added to a property insurance policy or purchased as part of a package insurance product.

Liability Insurance

If someone trips or falls while visiting your premises, or if a customer is hurt by a product your business sells, you can be held responsible. That is the risk that liability insurance covers.

Liability insurance, also called Commercial General Liability (CGL), covers four categories of events for which you could be held responsible: bodily injury; damage to others’ property; personal injury, including slander and libel; and false or misleading advertising. CGL coverage pays for the injured party’s medical expenses. It excludes your employees, who are covered by workers’ compensation.

There are three types of legal damages people may sue you for that are typically covered by a CGL policy:

- **Compensatory damages:** financial losses suffered by the injured party and future losses they may suffer resulting from an injury they claim in a lawsuit.
- **General damages:** non-monetary losses suffered by the injured party, such as “pain and suffering” or “mental anguish.”
- **Punitive damages:** additional penalties and charges the defendant must pay.

Standard liability insurance does **not** protect a business against:

- Claims from sexual harassment, wrongful termination of employees, failure to employ or promote, or race and gender lawsuits;
- Claims related to operating an automobile or truck; or
- Wrongful practices by professional service providers (e.g.: health care providers, lawyers and consultants). **Professional liability insurance**—or **Errors and Omissions insurance**—is needed to cover these events.

As with other liability insurance policies, premiums for professional liability coverage depend on the type of professional service being provided and its level of risk.

Other types of liability insurance:

- **An umbrella liability policy** provides more comprehensive protection than a standard policy. Umbrella policy coverage limits are typically within the \$1 million to \$5 million range and are appropriate for business owners who have large assets or may be especially vulnerable to lawsuits.
- **Crime Insurance** protects businesses from theft and malicious damage, such as employee embezzlement.
- **“E–insurance” or Internet Business Insurance** covers web-based businesses for damages caused by computer hackers and viruses.

Commercial Auto Insurance

All motorized vehicles, whether used for personal or business purposes, need auto insurance. Automobile liability insurance covers medical expenses for injured persons and damages to the property of other individuals as a result of a motor vehicle accident caused by the insured’s negligence.

While the types of coverage provided by personal and commercial auto insurance policies are essentially the same, there are important distinctions. Typically, commercial auto insurance policies have higher liability limits, for example \$1 million. They may also have provisions that cover rented and other non-owned vehicles, including employees’ cars driven for company business.

Several factors related to ownership and use of vehicles determines whether a personal or commercial policy is appropriate. These include:

- Who owns or leases the vehicle—you individually or the business as an entity?
- Who drives the vehicle—you or your employees?
- How the vehicle is principally used—for transporting people? delivering packages? or carrying hazardous materials?

You might also want to consider the purchase of collision and comprehensive (other than collision) coverage to protect yourself against damage to your vehicle.

Group Life & Key Person Life

Group Life Insurance

Some business owners offer group life insurance to employees. Group life insurance can be part of an employee benefit plan that is paid for by the employer, or a voluntary offering, whereby the employee pays for the coverage.

For policies paid for by a business owner, the benefit can often be equivalent to a full year’s salary, an amount that may not be sufficient for some people. These types of policies can be viewed as an added benefit or “supplemental” to other life coverage an employee may already have.

If an employee wants additional coverage on top of what an employer is willing to purchase, for double or triple times his/her salary, he or she may have to pay for it individually instead. Purchasing additional coverage outside of what is offered through the group policy will likely require that the employee undergo a medical exam to determine the level of insurability based on his or her health. However, a voluntary life insurance policy can provide significantly more coverage, depending on the amount of money an employee wants to spend individually for that type of policy.

Group life insurance policies tend to be less expensive than those purchased individually based on the fact that many group policies are only effective while an employee within the group is employed at that particular company. Most group life insurance is sold on a term basis. Term life insurance pays a death benefit if the policy holder passes away within a specified time period.

In general, term life insurance is much less expensive than permanent life. In fact, term life premiums have decreased markedly during the past decade due to the fact that Americans are living longer.

To figure out a group rate, the insurance company will usually consider the following factors about a business: the number of employees within the group; average age of employees; ratio of females to males (based on the statistic that women tend to live longer than men); number of smokers; and risk factors associated with the business.

Based on the business risk, for example, a marketing firm would probably have a lower group rate than a roofing company for equivalent coverage. Generally, group life insurance policies are a “guaranteed issue,” meaning that employees do not need to undergo a medical examination to be eligible. An employee who has a serious medical condition may still be a part of the group, as long as he or she is still an active worker. However, employees out on disability leave are not eligible for group life insurance until they return to work, unless they went on leave after the policy had been issued.

Key Personal Life Insurance

Within a small company, there are typically some “key people” who are critical to the success of the business. These individuals may be limited to the business’ founders or partners, or defined more broadly to include other employees responsible for running a critical aspect of the business, such as the senior marketing or sales manager, chief engineer or software developer in the case of a technology company.

The death of any of these key people would likely cause a serious impact on the business’ bottom line. Therefore, many small firms choose to purchase Key Person life insurance policies on these very important employees. As the policy owner, the company is the beneficiary and receives the proceeds when the insured key employee dies. The payout can help the company by providing:

- Cash to weather the loss and continue operations until a new employee can be hired and trained to carry out the functions of the deceased; and/or
- The funding to buy out the key person's heirs, if ownership rights of the business are involved.

In some cases, a small business seeking a loan from a bank or trying to raise capital from outside investors may be required by the lender or investor to carry life insurance for its partners. The bank may even require that the small business provide a collateral assignment agreement that gives the bank first rights to the policy proceeds to cover outstanding loans due in the event of one of the owner's deaths.

Types of Key Person Policies

Like individual life insurance policies, Key Person life insurance policies may be purchased as term life or permanent life policies.

Term life insurance covers the insured for a term of one or more years. It pays a death benefit only if the insured dies within that term. Term insurance generally offers the best value for your premium dollar. However, it does not build up cash value. It may not be renewable at the end of the term or may cost considerably more to continue.

Permanent life insurance, which goes by several names, such as whole life, universal life and/or variable life, typically includes both a death benefit and cash value. Because of the cash value element, premiums for permanent life insurance tend to be higher than for term life insurance.

Home-Based Business Insurance

Home-based businesses—those exclusively run from a home and no other location—comprise roughly half of all U.S. businesses and generate a huge amount of economic activity¹. Some of the major types of home-based businesses are the following:

- Professional, scientific and technical services
- Consultants and freelancers
- Construction
- Retail
- Specialized services (e.g. music instructors, day-care, etc.)

While some home-based businesses grow into full-fledged companies that employ substantial numbers of people, most remain quite small:

- 90% are sole proprietorships;
- 7.2% have fewer than 5 employees;
- Just over 1% have 5–19 employees
- About 0.2% have 20 or more employees.¹

1. Small Business Administration (SBA)

Regardless of their exact size or type, home-based businesses, like all businesses, should be properly insured to protect their assets and their owners against certain risks. Often, home-based businesses are underinsured—a fact their owners discover after an incident occurs.

Types of Insurance to Consider

If you have a home-based business or are thinking about starting one, it's a good idea to learn about the range of insurance products available. While your specific business may not require all types of insurance listed, it is important to understand your potential risks and your insurance options.

Home-based business owners should consider the following types of insurance for their business:

- Workers' compensation insurance
- Property and liability insurance
- Commercial auto insurance
- Disability insurance
- Life insurance

Bonding

There are two general types of bonds available for small businesses. They are Bid or Tender Bonds and Performance Bonds. It is common business practice when tendering for large capital projects for the tender to be supported by a Bid Bond. Most capital works projects put out to tender require the successful tender to lodge a Performance Bond after being awarded the contract.

Bid or Tender Bonds

The Bid Bond is an indication of a company's ability to carry out the work which is being tendered. Bid Bonds are sought by the contracting party to provide a financial undertaking, should the successful tenderer fail to proceed with the contract for any reason. It is also used as a financial fall-back in the event the successful contracting party is unable to carry out any part of the tender as submitted and it becomes necessary to place the project, or part of it, out for tender again.

Benefits:

- Demonstrate to the contracting party that the tenderer is a reliable, capable business
- Indicate that the tender is genuine with a firm commitment to the project
- Secure payments for the beneficiary (the contracting party) of the guaranteed amount in the event of:
 - Withdrawal of offer before its expiration date;
 - Repudiation of the contract by the tenderer after being awarded;
 - Failure of the successful tenderer to provide a replacement.

Definition

Tender: To make or submit a bid/offer/proposal.

Performance Bonds

Most capital works projects put out to tender require the successful tenderer to lodge a Performance Bond after being awarded the contract. The Performance Bond is an indication that your company has the necessary skills and capabilities to carry out the required work and comply with the agreed terms and conditions of the contract.

Benefits:

- Demonstrates to the contracting party that the tenderer has the required skills and financial strength to complete the contract;
- Provides support to your contract; and
- Secures payment for the beneficiary (the contracting party) in the event the contract is not fulfilled.

Contact your insurance company to find out what they offer for business insurance. You may also visit www.businessinsurance.com for general business insurance information.

For general inquiries about business insurance in DC, contact the DC Department of Insurance, Securities and Banking (DISB) at **202.727.8000** | www.disb.dc.gov.

DC Captive Insurance

Captive Insurance is a relatively new type of insurance that allows large organizations to insure themselves instead of seeking insurance on the commercial market. A **captive insurance company**, or **captive**, is an insurance company owned by members of a common industry or trade association in order to share the risks of that industry among its members.

Captives allow associations, organizations and groups to take financial control and manage risks by underwriting their own insurance rather than paying premiums to third-party insurers. The potential advantages of such self-insurance include lower costs, protection tailored to the organization's needs, more control over risks, and tighter control over financial resources.

To learn about incorporating a captive in the District of Columbia, contact the Department of Insurance, Securities and Banking's Captive Insurance Division: **202.727.8000** | www.disb.dc.gov.

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8

STARTING A FRANCHISE

Establishing an Existing Franchise, Franchising Your Business

Franchising is a solution for people who want to own and operate their own business, while working under an established brand- benefitting from the experience and know-how of the franchisor. Franchises can offer you, the franchisee, a complete system of doing business, from branding and marketing to assistance with business set up, personnel training, and product supply.

Franchising has been a driving force in the U.S. economy for several decades. The franchising sector expanded by over 18 percent from 2001 to 2005, adding more than 140,000 new businesses and 1.2 million new jobs¹. Therefore, plenty of opportunities abound for entrepreneurs to explore the franchising sector in Washington, DC.

Think Before You Start

Ask yourself the following questions before making your decision on franchise to avoid the potential risks and difficulties:

- Is the business you're considering a brick and mortar operation (like a restaurant or hotel)?
- Is the grant of the franchise contingent upon the franchisee being able to obtain and maintain a lease for the selected location?

Finding answer to questions regarding leases and build-out requirements should be explored in the early stages of your research. Real estate expenses, coupled with

1. International Franchise Association (2008)

Franchising Opportunities

- *Buying the franchisor's experience eliminates some of your start-up headaches.*
- *Learning in training from the franchisors prepares you for the facets of the business.*
- *Buying and advertising in bulk reduces your costs for inventory products and advertising.*
- *Benefiting from brand recognition for the trademarks represent the quality and integrity of the brand to consumers.*

buildout and equipment purchases, can make franchising a costly venture for up and coming entrepreneurs.

What Business to go?

Franchises are often thought of as fast food restaurants and hotel chains. In actuality, franchising spans more than 1000 industries. When looking into franchise opportunities, think broadly about what you would find interesting to do and what is of need and interest to the community you would like to serve.

Franchises can be home-based or mobile-based. These operations include home cleaning operations, on-the-go dog grooming salons, computer assistance companies, techs on call and mobile interior design services among others.

Understand the Information

As a potential franchise owner, you will need to review the company's franchise disclosure document, also known as offering circular, franchising disclosure document, or prospectus. The Federal Trade Commission and state laws require the franchisors to deliver disclosure documents to prospective franchisees. The disclosures cover over twenty items of information regarding the history of the company, required fees, investment costs, etc. This information can help you choose the right franchise opportunity. Disclosure documents can be obtained through a few private companies listed on the FTC website (<http://www.ftc.gov/bcp/franchise/faq1.shtm>)

While franchisors typically offer assistance during the start-up process, developing a well-written business plan is crucial to the financing and ultimate success of your franchise operation. Your business plan should include the three main sections—description of business, marketing, and financial—as described in Chapter 1: Initial Start-up Considerations.

Finance Your Franchise

When considering your options for financing your franchise, it is important to remember that financing will most likely come from multiple sources. Lending institutions such as commercial banks and independent financing specialists consider investing in your franchise upon presentation of your business plan. Again, this is why it is crucial to have a clear, concise, and well-articulated plan.

Cost Expected

Total start-up costs for a franchise can range from \$20,000 or less, to over \$1,000,000, depending on the franchise selected, and whether it is necessary to own or lease real estate to operate the business. Typically, higher cost franchises involve not only the initial franchise fee and expenses, along with continuing royalty payments, but also the cost of opening shop including real estate and equipment.

Furthermore, do not expect complete financing. According to The International Franchise Association, franchisee provides between 20–30 percent of the total capital required to get their new business up and running. Depending on the type of franchise you pursue, this could mean you need to come up with roughly \$40,000 to \$60,000 on a \$200,000 transaction. This capital can come from savings, stocks, bonds, pensions, IRAs, property, etc.

Sources of Finance

Traditional Loans

Traditional loans usually feature commercial bank loans and independent financing specialists. Banks and other conventional financial institutions smile upon franchises more often than their independent counterparts. The franchisor's established trademark and market experience give you a lower financial risk than an independent business. This means that a franchisee's chance of receiving a loan is significantly improved when associated with a recognized franchise. In addition, your prospective franchisor may already have connections with lending institutions that could be of use to you.

The Small Business Administration

Consider speaking with representatives of the Small Business Administration (SBA) about existing programs they have with private banks and other lending institutions. The SBA frequently offers competitive rates and longer term programs that can be of assistance to you. www.sba.gov.

Direct Franchising from the Franchisor

In some cases, franchise companies either offer financial assistance themselves or help franchises find lenders with whom they have pre-existing relationships, known as preferred lenders. Ask your franchise company if they offer direct financing programs, loan guarantees, or leasing for property or equipment.

Additional information on business financing, including factors of consideration, the loan process, small business lenders, equity financing, and other sources of funding, is available in Chapter 3: Business Financing.

Franchise Your Existing Business

Franchising can be an ideal solution for entrepreneurs who want to expand their businesses but may lack capital, can't find adequate human resources, or just don't have the time to grow their own operations organically.

Franchising Challenges

- *Conformity to the franchise system limits your ability to personalize the business.*
- *Tremendous investment of time and hard work is expected to manage your business.*
- *Costs featuring royalties and potential payments on a certain percentage of your gross income from the franchise reduce your profits.*

For More Information

- Contact the International Franchise Association (www.franchise.org/ 202.628.8000) for their Franchise Opportunities Guide. They also offer a free online course called Franchise Basics (www.ifa-university.com)
- Attend the IFA's annual International Franchise Expo, which takes place every spring the Walter E. Washington Convention Center in DC.
- Visit the Federal Trade Commission's website (www.ftc.gov) for information on government regulations.
- Establish a working relationship with the Small Business Association (www.sba.gov)
- Contact the Enhanced Business Information Center (202.727.2241)
- Discuss disclosure documents and other legal and financial statements with a lawyer and an accountant with franchise experience

Why Should You Franchise?

Franchise can give you the arms and the legs you need to expand your empire more quickly and may alleviate some of your business's growing pains.

Explore Your Potentials

You may want to consider franchising your business if:

- Your product or service has a good reputation and is perceived as being credible in the marketplace
- Your business can generate at least 15% return on investment for franchisees
- Your business is somehow different from existing businesses in the marketplace
- Your methodology can be transferred to a franchisee

Relieve Your Pains

Lack of Capital: Franchising can help you expand your business without the risk of debt or the cost of equity. It's the franchisee who signs the lease and assumes the service contracts, leaving the franchisor with limited liability.

Finding and Retaining Human Resources: Many businesses can't expand because they can't find, or keep, well-qualified unit managers. The franchising model puts the onus of finding staff on the franchisee.

Time Considerations: The number of units you can open in months or years can be significantly greater if you encourage others to assist with identifying locations, recruiting employees, and/or purchasing equipment.

How to Franchise Your Businesses

If you are interested in franchising your business, start by speaking with counselors at the Enhanced Business Information Center (e-BIC).

If you proceed with plans to franchise, be certain to hire a lawyer who specializes in franchising and fully understands the intricacies of the pre-sale disclosure documents. Typical steps for expanding a business through a franchise plan include:

- Developing a comprehensive plan. Elaborate in detail on issues such as expansion timing, geographic considerations, support services for franchisees, advertising programs, and a fee structure.
- Subjecting your expansion plan to the scrutiny of legal and financial experts. Get feedback and revise your plan.
- Hiring a lawyer and obtaining proper legal documentation such as a franchise contract and an offering circular.
- Developing a fool-proof system for your franchisees. This includes operation manuals, policies, and procedure checklists.
- Marketing your franchise. Develop brochures, collateral material, etc. that will entice prospective buyers.

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STARTING A NONPROFIT ORGANIZATION

Steps in Establishing a Nonprofit Business, Grants & Other Resources

The District of Columbia is home to the largest concentration of non-profits and associations in the United States, with 2,265 non-profit organizations that employ about 66,000 people. In the whole of the metro region, there are 4,441 existing associations and non-profits that employ about 120,000 people¹.

A nonprofit organization is an incorporated organization which exists for educational or charitable reasons, and from which its shareholders or trustees do not benefit financially. “NPOs” are active in humanitarian aid, education, the arts, the environment, animal protection and other endeavors.

The most important components to start a nonprofit include a sound mission statement, a concept paper, defined organization type (business structure), established board of directors, bylaws, a strategic plan, and identified sources of funding.

Establishing a Nonprofit Business

Determine the Mission

The mission statement is a brief description of an organization’s purpose. It should be clear, focused, and concise. It is best to limit the statement to one or two sentences. The statement should include the organization’s name, the services it provides, and the population it serves. Nonprofit mission statements generally do not change,

1. Delta Associates, 2009

unless the organization's purpose changes significantly. It should, however, be re-evaluated to ensure mission and operational alignment every five to ten years.

It is recommended that you research nonprofits with similar missions, in order to provide different and better services compared to other nonprofits. Remember to make your organization unique and focus on your values.

Develop a Strategic Vision and Plan

Much like a business plan, a nonprofit's strategic plan details the organization's direction, focus, and vision for the next three to five years. Deviation from the nonprofit's organizational mission is often an issue that arises for nonprofits. In the quest to solicit funding, nonprofits sometimes take on programs that are outside of their mission. Having a sound strategic plan can help alleviate this issue. Strategic plans should include the following:

- Purpose and mission statement
- Survey of the issue(s) and problem(s)
- Description of the organization
- General goals and activities
- Future plans and vision

Determine the Organization Type

While the majority of nonprofits are classified under 501(c)(3) of the IRS Code as charitable organizations, a proposed organization should review the types below to determine the right choice for its particular group. Once the organization's classification has been defined, articles of incorporation, the primary rules governing the management of your organization, should be drafted. You should have these articles reviewed by a lawyer.

The classifications for nonprofits are:

- **501(c)(3):** Charitable or Religious Organizations
- **501(c)(4):** Social Welfare Organizations
- **501(c)(5):** Labor and Agricultural Organizations
- **501(c)(6):** Business Leagues
- **501(c)(7):** Social Clubs
- **501(c)(8) or (10):** Fraternal Societies
- **501(c)(19) or (23):** Veteran's Organizations
- **501(c)(4) or (9):** Employee Associations

Establish a Board of Directors

WDCEP TIP

The strategic plan is much like a business plan. For more detailed information please refer to Chapter 1: Initial Start-up Considerations

The board of directors ensures the organization's mission is carried out and provides legal accountability for its operations. It is best to develop a diverse board of directors, who offer a variety of professional skills, that represent the organization's service recipients, contributors, volunteers, and community members.

The primary functions of the board of directors are often financial oversight and fundraising, yet there are many other responsibilities depending on the needs of the organization such as: developing the organization's mission statement, strategic planning, hiring an executive director and staff, deciding on organizational and personnel conflicts and evaluating the nonprofit's programs, services and performance.

Register Your Organization

All nonprofits need to register with both the Department of Consumer and Regulatory Affairs (DCRA) and the Office of Tax and Revenue (OTR) in order to operate in DC.

To register with DCRA, visit their website and go to "Corporate Registration" to complete all forms online. If you plan to engage in charitable solicitation activities (i.e. grants, funds, etc.), you will need to obtain a Charitable Solicitation registration from the Basic Business License department of DCRA. If you are a church or religious organization with tax exempt status under IRS Section 501, you do not need to complete this form. DCRA can be reached at www.dkra.dc.gov | 202.442.4400.

To register with the Office of Tax and Revenue, you need to fill out the R 500 form (Combined Business Tax Form) regardless of your nonprofit type. If you have unrelated business income, such as renting part of your facility, you also need to fill out Form D-20 (Corporate Franchise Tax Return).

To seek exemption in DC, you must first gain that status from the Internal Revenue Service and attach that exemption document to Form FR 164, Application for Exemption from Income and Franchise Tax, Sales and Use Tax, or Personal Property Tax. You can fill out your forms online at OTR's Electronic Taxpayer Service Center website. OTR can be reached at www.taxpayerservicecenter.com | 202.727.4TAX (4829).

Develop the Bylaws*

Bylaws define how the nonprofit organization will be managed and operated. The bylaws should:

- Define the basic organizational structure of the nonprofit;
- Determine which staff and board members have authority and decision making responsibilities and how those responsibilities are carried out;
- Define the requirements and responsibilities of membership;
- Create a framework for the organization and aid in resolving internal disputes;
- Describe the rules for calling board meetings and specify board member election procedures.

WDCEP TIP

Each category has different tax benefits and is required to comply with different restrictions. For more information on tax-exemptions for each type of nonprofit, visit www.irs.gov/charities/nonprofits.

Grants & Other Resources

A significant amount of money for nonprofits comes from grants and donations. It is important to register for a solicitation license so that you are able to ask for money. You can obtain a Charitable Solicitation registration form at the:

Business License Center

941 North Capitol Street, NE,
First Floor, Washington, D.C.
www.dcrd.dc.gov

The following resources are helpful for searching, writing and applying for grants:

Center for Nonprofit Advancement

The Center for Nonprofit Advancement is a membership association of nonprofit organizations based in the Washington, D.C. metropolitan area.

1666 K Street, NW Suite 440
Washington, DC 20006
202.457.0540 | www.nonprofitadvancement.org

Office of Partnerships & Grant Services

The Office of Partnerships and Grant Services is a DC government agency established to help advance and assist nonprofits. The Office holds trainings and conferences and has a free resource center that provides information about public and private grant makers.

1350 Pennsylvania Avenue, NW, Suite 324
Washington, DC 20004
202.727.8900 | www.opgs.dc.gov

American Society of Association Executives

The American Society of Association Executives is an organization designed to help association professionals achieve higher levels of performance by providing them with useful tools to lead and manage.

1575 I St. NW,
Washington, DC 20005
202.371.0940 | www.asaecenter.org

Foundation Center

The Foundation Center is a leading authority on philanthropy. Its mission is to strengthen the nonprofit sector by advancing knowledge about U.S. philanthropy.

1627 K Street, NW,

Third Floor

Washington, DC 20006-1708

202.331.1400 | www.foundationcenter.org/washington

Chronicle of Philanthropy

The Chronicle of Philanthropy is an online newspaper that has daily updated information for grant seekers. This site also provides national reports with supplemental information and stories on other nonprofit organizations, providing a thorough overview and best practices for the nonprofit community.

www.philanthropy.com

Grants.gov

Grants.gov allows organizations to electronically find and apply for competitive grant opportunities from all Federal grant-making agencies.

www.grants.gov



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10

DOING BUSINESS WITH GOVERNMENT

*Federal Government Contracting & Certification Programs,
DC Government Contracting & Certification Programs*

District of Columbia businesses are highly favored when the Federal and DC Governments need contracting. Both governments have offices or administrations that do all of their commercial contracting for them and other special programs for small economically disadvantaged businesses. There is an abundance of opportunities for businesses, big and small, to do business with government, especially with the Homeland security and Defense departments. The Federal Government's demand has been an economic engine that helps fuel the region's job and population growth.

Federal Government Contracting

The US Federal Government is the largest buyer in the world. For step-by-step instructions on acquiring a federal government contract, visit the "Official Business Link to the U.S. Government" at **www.business.gov**, which has a wealth of information on the process and requirements of selling to the government.

For a general understanding of government contracting needs, visit the General Services Administration's (GSA) website at **www.gsa.gov**. GSA manages a large portion of the government's purchases, including everything from phone contracts to information technology services. GSA also procures furniture, office supplies, cars, trucks and buses. GSA's Office of Small Business Utilization advocates for small businesses and conducts monthly workshops on how to obtain a GSA Schedules Contract.

For more information and support, please call **202.501.1021** or email **small.business@gsa.gov**. You can also view important information about how to become a vendor on GSA schedules at **www.gsa.gov/schedules**.

FedBizOpps.gov is the single government portal for federal government procurement opportunities over \$25,000. FedBizOpps helps federal government buyers and commercial vendors find one another. Through FedBizOpps, government buyers can post their business opportunities directly to the site and vendors seeking to sell to the Federal markets can search, monitor and retrieve opportunities solicited by the entire Federal contracting community.

Visit **www.gsa.gov** for more information and support.

Business Development Programs

Federal Government Contracting Programs

The US Small Business Administration has two programs that assist small disadvantaged businesses in government contracting: the 8(a) Business Development program and the Certified Business Enterprise Certification program.

In addition, it also administers the HUBZone program that gives Federal contracting advantages to small businesses located within the federally designated HUBZone. For a summary of each program's benefits and eligibility requirements, please see the chart at the end of this section (page 86–87) or visit the SBA online at **www.sba.gov/dc**.

HUBZone Program

HUBZone (Historically Underutilized Business Zone) is a federal contracting program that provides contracting preferences to small businesses with HUBZone certification. To qualify as a HUBZone business, a company must meet the following criteria:

- A small business with principal office located within a HUBZone
- Owned and controlled by one or more U.S. citizens
- At least 35 percent of its employees must reside in a HUBZone

The HUBZone Program is only for federal contracting consideration and locating in a HUBZone has no bearing on a company's contracting opportunities with the District Government (*see CBE on page 48*).

To find the location of a HUBZone or learn more about the HUBZone Program, visit **www.sba.gov/hubzone** or call **202.205.8885**.

8(a) Business Development Program

8(a) Business Development Program is a business development vehicle that assists small, socially and economically disadvantaged businesses. New regulations permit 8(a) companies to form beneficial teaming partnerships and allow federal agencies to streamline the contracting process. New rules make it easier for minority firms to participate by proving their social disadvantage.

The new and improved 8(a) Program has become an essential instrument for helping socially and economically disadvantaged businesses gain access to the economic mainstream of American society. The SBA has helped thousands of aspiring entrepreneurs over the years to gain a foothold in government contracting.

SBA district offices monitor and measure the progress of participants through annual reviews, business planning, and systematic evaluations. 8(a) participants may take advantage of specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and its resource partners. They may also be eligible for assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance. To apply, contact the local SBA district office serving your area at www.sba.gov/8abd. The SBA's DC office can be reached at **202.272.0345**.

Benefits of the 8(a) Program:

- Participants can receive sole source contracts, up to a ceiling of \$3.5 million for goods and services and \$5 million for manufacturing. While SBA helps 8(a) firms build their competitive and institutional know-how, businesses are also encouraged to participate in competitive acquisition.
- Federal acquisition policies encourage federal agencies to award a certain percentage of their contracts to Small Disadvantaged Businesses (SDBs). To speed up the award process, the SBA has signed Memorandums of Understanding with 25 federal agencies allowing them to contract directly with certified 8(a) businesses.
- Recent changes permit 8(a) businesses to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) businesses to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

Small Disadvantaged Business (SDB) Certification

While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. On September 23, 2008, the SBA changed the process for the SDB certification. Small businesses are currently allowed to self-certify by meeting the criteria established by the Small Business Administration. The self-certification can be done through the Central Contractor Registration at www.ccr.gov.

Self-certified Small Disadvantage Businesses are eligible for special bidding benefits. Evaluation credits available to prime contractors boost subcontracting opportunities of SDBs.

Benefits of SDB Certification:

- Qualified SDBs receive a price evaluation adjustment of up to 10% on procurements where mandated by regulation. The price evaluation adjustment does not apply to 8(a) acquisitions and small business set asides.
- Qualified contractors can receive a credit when using SDBs as subcontractors.
- Once certified, firms remain on the SBA's list of SDB Certified firms for a period of three years.

For more information about the SDB program and the new self-certification process call **202.272.0345** or visit **www.sba.gov/sdb**.

Mentor-Protégé Program

The SBA also has implemented the new Mentor-Protégé Program to allow starting 8(a) companies to learn the ropes from experienced businesses. The task of this program is to teach 8(a) and other small companies how to compete in the federal contracting arena and how to take advantage of greater subcontracting opportunities available from large firms as the result of public-private partnerships.

A great place to start researching government contracts is with the General Services Administration (GSA). The GSA manages much of the federal government's business needs, including the products, services, and technologies that the Federal Government requires for smooth operation. The GSA also helps with preparing an offer and general information to make the process easier. Visit www.gsa.gov for more information and support.

Tips for Landing A Government Contract

- *Research your intended buyer. Know their budget.*
- *Develop a customer/agency specific strategy.*
- *Start with a small order and work from there.*
- *Allot sufficient time, resources and knowledgeable personnel when seeking a contract.*

DC Government Contracting Programs

While federal government contracts are highly coveted because of their size and scope, opportunities with the District Government should also be considered. Each year the District Government awards more than \$300 million dollars in local government contracts. To do business with the District Government, you must first register your business with the Office of Contracting and Procurement (OCP), the entity in charge of securing commercial products and services for the district's government agencies. Your next step is to certify your business with the Department of Small and Local Business Development (DSLBD), which will greatly enhance your chance of contracting with the DC Government. The Department of Small and Local Business Development qualifies small and local businesses as Certified Business Enterprises (CBEs) and incorporates the preference point system. After acquiring CBE certification, you may then submit a solicitation/application to the District of Columbia Supply Schedule (DCSS).

Solicitation/Application

Follow these three steps to earn DC Government contracts:

1. In order to apply for solicitations, a business must first **register as a vendor with the Office of Contracting and Procurement (OCP)**.

The OCP advertises its solicitation notices in print publications and on its website. The District of Columbia Supply Schedule (DCSS), which is the program of awarded contracts, is also available online. OCP has special consideration for certified and non-certified businesses. Vendors can register and apply for contracts at:

441 4th Street, NW, Suite 700S,
Washington, DC 20001
202.727.0252 | www.ocp.dc.gov

2. After registering your business with OCP, a contractor can then **obtain certification as a Certified Business Enterprise (CBE)** by the Department of Small and Local Business Development (DSLBD).

Businesses must register with OCP before applying to become a CBE, and they must be certified before submitting a District of Columbia Supply Schedule (DCSS) solicitation/ application. The CBE application must be submitted online via the CBE Business Center link.

CBE Certification: **202.727.3900 | dslbd.dc.gov**

3. Once you have a business registration and a CBE designation, log on to the Office of Contracting and Procurement (OCP) website to **obtain a list of DCSS opportunities** for solicitation/application at **www.ocp.dc.gov**.

To be eligible for an award on the DCSS, you must be current with taxes for both the Department of Employment Services and Office of Tax & Revenue.

Certified Business Enterprise (CBE) Certification

The CBE Certification Program, administered by the Department of Small and Local Business Development (DSLBD), establishes a 50 percent goal of the expendable budget for District agencies in contracting with locally-based small business enterprises. Based on a point system, CBEs can receive from 2–12 preference points (maximum) on Requests for Proposals and 2–12 percent reduction (maximum) on a bid response. Under this program, applicants are eligible for certification in the following classifications:

Local Business Enterprise (LBE) 2 Points—2% reduction

An LBE is a business whose principal office is located in the District of Columbia, licensed by the District, and subject to District of Columbia taxes. Its chief executive officer and its highest level managerial employees of the business enterprise must maintain their offices and perform their managerial functions in the District.

Benefits of Becoming a District CBE

- *Bid and proposal preferences*
- *Free training and education programs*
- *Advocacy and assistance*
- *Business opportunity alerts*

DC Official Code

The DC Official Code, a compilation of the laws in the District of Columbia, can be viewed online at

www.dccouncil.washington.dc.us/dcofficialcode

An LBE must meet 1 of the 4 following criteria:

- More than 50 percent of the assets of the business enterprise, excluding bank accounts, are located in the District
- More than 50 percent of the employees of the business enterprise are residents in the District
- The owners of more than 50 percent of the business enterprise are residents in the District; or
- More than 50 percent of total sales or other revenue is derived from transactions of the business enterprise in the District

An LBE also must be:

- Licensed pursuant to Chapter 28 of Title 47 of the District of Columbia Official Code
- Subject to the tax levied under Chapter 18 of Title 47 of the District of Columbia Official Code; or
- A business enterprise identified in paragraph 47-1808.01 (1) through (5) of the District of Columbia Official Code, and more than 50 percent of the business is owned by residents of the District

Small Business Enterprise (SBE) 3 points—3% Discount

An SBE is a business that is independently owned, operated, and controlled. It must be a Local Business Enterprise (LBE), certified by the U.S. Small Business Administration as a small business concern under the Small Business Act; or it must have average annual gross receipts of between \$5 million and \$300 million (based on industry type) for the 3 years preceding certification. Other requirements apply for business enterprises affiliated with other business enterprises through common ownership, management, or control. Check with the Department of Small and Local Business Development (DSLBD) for more information.

www.dslbd.dc.gov | 202.727.3900

Disadvantaged Business Enterprise (DBE) 2 Points—2% reduction

A DBE is a business that is operated, owned, and controlled by economically disadvantaged individuals. For the purpose of this program, an economically disadvantaged person is a socially disadvantaged person whose ability to compete in the free enterprise system has been impaired due to diminished capital and business redlining (discriminated against by refusal for grant loans, leases, and insurance). Socially disadvantaged individuals are those who clearly demonstrate that they have reason to believe they have been subjected to prejudice or bias because of their identity as members of a group without regard to their qualifications. A DBE must be a Local Business Enterprise (LBE). Other requirements apply for the business enterprises affiliated with other business enterprises through common ownership, management, or control. To qualify, you must submit:

- A letter (signed and notarized in the District of Columbia) that demonstrates historic, economic, and social discrimination
- Personal income tax return
- Personal financial statement

Resident Owner Business (ROB) 5 Points—5% reduction

ROB certification is available for a business enterprise that has its principal office in the District and whose majority owner is a District resident. It must be a Local Business Enterprise (LBE) owned by an individual who is—or a majority number of individuals who are—subject to personal income tax in the District of Columbia.

Longtime Resident Business (LRB) 10 Points—10% reduction

LRB is a business which has been continuously eligible for certification as a Local Business Enterprise (LBE) for 20 consecutive years, or as a Small Business Enterprise (SBE) for 15 consecutive years.

Development Enterprise Zone 2 points—2% reduction

A DEZ is a business enterprise which must be located in an economic development zone designated by the Mayor and approved by the Council.

Check List for Solicitation/Application:

- Agree to the DCSS Contract Terms and Conditions and District Provisions
- Clearly identify services of products being offered
- Provide a minimum of three customer references
- Provide CBE certification according to procurement category for which the contractor is submitting the solicitation/application
- Submit two copies of the current federal base multiple-award contract used to establish a DCSS contract
- Complete and submit signed hard copies of the solicitation/application, offer and award forms
- Forward complete solicitation/application to:

Office of the Contracting and Procurement

441 4th St., NW

Suite 703

Washington, DC 20001

- Adopt a federal multiple award schedule contract for services of products consistent with the scope of the DCSS solicitation/application (can be the contractor's federal award contract or another contractor's federal award contract)

OCP has special considerations for local DC businesses and CBEs.

Office of the Contracting and Procurement

202.727.0252 | www.ocp.dc.gov.

WDCEP TIP

All new businesses seeking certification with the Department of Small and Local Business Development must attend mandatory pre-certification orientations which are held bi-weekly at the Enhanced Business Information Center (e-BIC): 901 G St. NW, Washington, DC 20001.

*For more information, please contact DSLBD at **202.727.3900**.*

WDCEP TIP

DSLBD & OCP conduct monthly workshops on government procurement to assist small businesses in learning about contracting opportunities.

*For more information please contact OCP at **202.727.0252**.*

Summary of Business Development Programs

HUBZone Program for Federal Contracting

Preference in bidding for federal agencies' contracts; Higher government guarantees on surety bonds for construction and service contract bids

eligibility

- Must be SBA certified, meeting the following criteria:
- Principal office located within a HUBZone
- Company owned and controlled by one or more US citizens
- At least 35% of employees live in HUBZone

U.S. Small Business Administration

HUBZone Office

202.205.8885 | www.sba.gov/dc

8(a) Business Development Program

Preferential consideration in federal contracting for socially and economically disadvantaged businesses

eligibility

See explanation on preceding pages for details

U.S. Small Business Administration

202.272.0345 | www.sba.gov/dc

SDB Certification Program (Federal)

Qualified SDBs receive a price evaluation adjustment of up to 10% on procurements where mandated by regulation; qualified contractors can receive a credit when using SDBs as subcontractors; Once certified, firms remain on the SBA's list of SDB certified firms for a period of three years

eligibility

- Must be at least 51% owned and controlled by a socially and economically disadvantaged individual or group of individuals
- All individuals must have a net worth of less than \$750,000, excluding the equity of the business and primary residence
- Successful applicants must also meet applicable size standards for small businesses in their industry

U.S. Small Business Administration

202.272.0345 | www.sba.gov/dc

Mentor-Protégé Program (Federal)

Technical and management assistance from the mentor; Can enter into joint-venture arrangements with mentor to compete for government contracts; Financial assistance from the mentors who can own equity interest of up to 40% in a protégé firm to help it raise capital; Easier to qualify for other SBA programs

eligibility

- Must be in the government stage of the 8(a) Business Development program, or have never received an 8(a) contract, or have a size of less than half the size standard for a small business based on its primary SIC code
- Must be in good standing in the 8(a) Business Development program and be current with all reporting requirements

U.S. Small Business Administration

202.272.0345 | www.sba.gov/dc

CBE Certification for District Contracting (District of Columbia)

Certification of Certified Business Enterprises (CBEs) to receive preferences in contracting with District Government

eligibility

- Company must be approved and certified by the Department of Small and Local Business Development as an LBE. Additional certifications available (see description on the previous pages)

Department of Small and

Local Business Development

202.727.3900 | dslbd.dc.gov



Washington, DC
Economic Partnership

1495
Street, NW

1495
F Street, NW

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BUSINESS RESOURCES

DC Government Agencies, Non-Government Agencies, Neighborhood Resources, Legal Resource Centers, Utility & Small Business Energy, Quick References

The resources listed below are all public resources provided by government agencies and nonprofits. Complete contact information for all of the resources below can be found at the Quick Reference section at the back of this guide.

DC Government Agencies

Deputy Mayor for Planning & Economic Development

The Office of the Deputy Mayor for Planning and Economic Development (DMPED) is charged with executing the Mayor's economic development strategy. The purpose of the Office is to encourage growth and investment across the District of Columbia, attract and retain high quality retail, provide and preserve affordable housing, and revitalize its neighborhoods and waterfronts. The goal of the DMPED is to make the District of Columbia a world-class, globally competitive city. Programs include:

- Anacostia Waterfront Initiative
- Great Streets
- Neighborhood Revitalization Projects
- Business Attraction and Retention
- Mayor's Housing Initiatives
- Neighborhood Investment Fund
- New Communities

www.dcbiz.dc.gov | 202.707.6365

Department of Employment Services

The Department of Employment Services has a One-Stop Business Resource Center for employers and small business owners to encourage job creation and economic growth in the District. Their services include, but are not limited to:

- Incubator space providing basic office services and equipment
- Technology support services
- Meeting space
- Assistance with financing and marketing
- Computers and audiovisual equipment

202.724.7000 | www.does.dc.gov

Department of Insurance, Securities and Banking

The Department of Insurance, Securities and Banking (DISB) efficiently and effectively regulates most financial services activities in the District of Columbia. The DISB provides maximum information and regulatory protection to the customers and consumers of financial services as well as District of Columbia residents, while encouraging the growth of the financial services business sector in order to increase jobs and tax revenue to the District of Columbia. The DISB regulates the business of insurance, the securities industry, the business of banking, trust companies, mortgage lenders and brokers, check cashers, money transmitters, consumer sales finance companies, money lenders, consumer credit service organizations and non-bank ATMs that operate in the District. Businesses are encouraged to contact the Department of Insurance, Securities and Banking to find out specific financial services licensing requirements.

Department of Insurance, Securities and Banking (DISB)

810 First Street, NE, Suite 701

Washington, DC 20002

202.727.8000 | www.disb.dc.gov

Department of Small and Local Business Development

The mission of the Department of Small and Local Business Development (DSLBD) is to foster economic growth, development, retention of businesses, and job creation in the District of Columbia. Among other services DSLBD offers small business certification through its Certified Business Enterprise (CBE) program so that they may better compete for contracting opportunities in the District. A description of the department's divisions follows.

www.dslbd.dc.gov | 202.727.3900

The Division of Business Opportunities and Access to Capital

This division provides value added services as an advocate of small and local business owners. It is responsible for ensuring CBE participation in the procurement process within the public and private sectors. In addition, the division conducts research and identifies new avenues of business opportunities and access to capital.

The Division of Certification

This division monitors, reviews, and processes applications for potential CBE certification. In addition, it assists in overseeing both District agencies and public/private contractors to ensure that they meet and maintain their obligations to contract with CBEs.

The Division of Training and Education

This division coordinates training and mentoring programs for local businesses. It provides assessment and identification of business needs and also connections to the wealth of business assistance organizations in the District.

In addition, it furnishes small business development, technical assistance, and training at the DSLBD's Enhanced Business Information Center (e-BIC), located within Martin Luther King Jr. Library at 901 G Street, NW, Washington, DC 20001. To contact e-BIC directly, call **202.727.2241**.

The Division of Commercial Revitalization

This division supports the revitalization of DC's neighborhood commercial districts and small businesses by: providing technical and funding assistance in targeted neighborhoods to retain DC businesses; design and improve storefronts and streetscapes; promoting DC's business neighborhood districts; and managing the certification, annual tax assessment projections, and the charter extension process for DC's Business Improvement Districts (BIDS).

DC Procurement Technical Assistance Center

The District of Columbia Procurement Technical Assistance Center (DC-PTAC) provides eligible entities with specialized and professional technical assistance to individuals and businesses seeking to pursue and successfully perform under contracting and subcontracting opportunities with the Department of Defense, other federal agencies, and/or state and local governments.

DC Procurement Technical Assistance Center

Department of Small and Local Business Development
One Judiciary Square
441 Fourth Street, NW
Suite 970N
Washington, DC 20001
202.727.3900

WDCEP TIP

Of special interest to the local business community is the DC Supply Schedule open to companies holding CBE certification from the Department of Small and Local Business Development

WDCEP TIP

The WDCEP's website offers additional information on doing business in DC, including videos from past business workshops.

Office of Contracting and Procurement

The DC Office of Contracting and Procurement (OCP) provides contracting services to over 60 District agencies so they can deliver quality goods and services in a timely and cost-effective manner. To begin doing business with the DC Government, potential vendors are invited to use the OCP online vendor registration to view solicitations, awarded contracts, and business requirements.

OCP Office

441 4th Street, NW,
Suite 700 South,
Washington, DC 20001

Department of Public Works (OCP location)

2000 14th Street, NW
6th Floor
Washington, DC 20009

Bids may be left at the OCP office or, when appropriate, at the OCP location at the Department of Public Works.

www.ocp.dc.gov | 202.727.0252

Non-Governmental Organizations

Washington, DC Economic Partnership

The Washington, DC Economic Partnership (WDCEP) is a public/private partnership dedicated to facilitating economic development in the District of Columbia. The WDCEP promotes the creation of jobs, growth of tax revenues, attraction and retention of businesses, and distribution of community resources for local DC residents and business owners.

www.wdcep.com | 202.661.8670

DC Chamber of Commerce

The DC Chamber of Commerce is a nonprofit organization that advocates the growth and development of business in the District of Columbia. Since 1938, the Chamber has nurtured business creation and expansion throughout the city. Its 2,000 members include small and large local and international businesses and associations. The Chamber's primary functions include:

- Improve the climate for business in the District
- Assist businesses in succeeding through education, information and outreach
- Provide networking and procurement opportunities
- Reduce the cost of doing business through regulatory reform
- Advocate for changes in federal and local laws that impact business growth and development in the District

www.dcchamber.org | 202.347.7201

U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business federation representing more than three million businesses of all sizes, sectors and regions. It includes hundreds of associations, thousands of local chambers and more than 100 American Chambers of Commerce in 91 countries. The U.S. Chamber offers small business toolkits to help businesses with hiring, printing and shipping, sales and marketing, security and start-up assistance.

www.uschamber.com | 202.659.6000

Greater Washington Hispanic Chamber of Commerce

The Greater Washington Hispanic Chamber of Commerce (GWHCC) is a membership driven organization. The GWHCC supports the economic development of the DC region by facilitating the success of Latino and other minority-owned businesses through networking, advocacy and education. Their programs include technical assistance for Hispanic and other minority owned businesses in the District of Columbia and Arlington county, bilingual (Spanish) business education and a monthly series of networking events.

www.gwhcc.org | 202.728.0352

Greater Washington Fashion Chamber of Commerce

The Greater Washington Fashion Chamber of Commerce (GW FCC) is a fashion trade association that serves the greater DC metropolitan area. Its purpose is to promote common interests, while simultaneously improving the business conditions of the greater metro area's fashion industry. It accomplishes this through advocacy, outreach, training, technical assistance, marketing and economic development activities that specifically support its members and the greater fashion community.

202.355.3929 | www.gwfcc.org

CHAMPS—Capitol Hill Chamber of Commerce

CHAMPS is the Chamber of Commerce for Capitol Hill in the District of Columbia. The Chamber educates and advocates for Capitol Hill businesses and connects them with the greater community. Representing over 350 businesses and residents in the Capitol Hill neighborhood, CHAMPS runs regular local promotions and provides various publicity opportunities for its members. The Chamber has an education program that consists of lunches, seminars, forums, and gatherings, each of which focuses on a different facet of running a business. In addition, they offer several events that focus on networking, giving members, non-members, and residents the chance to connect with one another. As the only business organization on Capitol Hill with the ability to lobby, CHAMPS has an active Government Affairs Committee that sets policy agendas annually, and looks out for and represents the voice of Capitol Hill businesses on pending legislation.

www.capitolhill.org | 202.547.7788

Service Corps of Retired Executives (SCORE)

The Service Corps of Retired Executives (SCORE) is a nationwide nonprofit volunteer association with more than 12,000 retired and active small business owners, executives, and professionals who donate their time to counsel aspiring and existing small business owners. As a resource partner of the US SBA, it provides free counseling and low-cost workshops to small businesses. In 2009, SCORE helped to create over 20,000 new businesses. The DC Chapter has over 46 members experienced in owning and operating both small and large businesses in almost every field.

202.272.0390 | www.scoredc.org

DC Small Business Development Center Network

The Small Business Development Center (DCSBDC) Network promotes the growth, expansion, innovation, and increased productivity of small business owners in the DC metropolitan area. Opportunities for small business success are enhanced through the delivery of training and counseling services and strategic alliances with organizations and individuals in the field of entrepreneurship. Throughout the year, DCSBDC Network conducts affordable training courses designed for small business owners and managers in the following areas: business planning, management of a small business, accounting and financial systems development, marketing, 8(a) certification, international business, and more.

Counseling is provided on a pre-scheduled appointment basis. Contact the Lead Center at Howard University or visit the website to schedule an appointment or obtain information about upcoming training courses and events.

202.806.1550 | www.dcsbdc.org

Washington Area Community Investment Fund

The Washington Area Community Investment Fund, Inc. is a nonprofit 501 (c) (3) Community Development Financial Institution (CDFI) dedicated to providing financial and technical assistance for community and economic development. Current WACIF programs include: Nonprofit Housing and Community Development; Child Care; Community-Based Development; Technical Assistance; and Small Business Economic Development.

202.529.5505 | www.wacif.org

Neighborhood Resources

Business Improvement Districts (BIDs)

The Department of Small and Local Business Development (DSLBD) manages the certification, charter extension and annual tax projections for Business Improvement Districts (BIDs) and Community Improvement Districts (CIDs). These are commercial areas of the District that collect a “self tax” from property owners, which is

used to provide services and programs that address commercial corridor-wide issues such as cleanliness, safety, parking and transportation management, streetscape improvements, promotion, economic development and other collective business issues.

Adams Morgan Partnership BID

The Adams Morgan Partnership Business Improvement District (AMPBID) is a private, non-profit organization that was started in 2006. This business improvement area assures the vitality of many businesses in the neighborhood. The AMPBID provides safety, hospitality, maintenance and beautification, transportation, streetscape and marketing services to the 221 commercial property owners in Adams Morgan. Property owners have agreed to tax themselves to provide these services to the Adams Morgan community. The AMPBID is pleased to have two public parking garages that are close to the Adams Morgan/Woodley Park Metro station, as well as numerous Metro Bus routes, including the Circulator Bus running through the heart of Adams Morgan.

Adams Morgan is designated a DC Historic District, which enables qualified property owners of contributing commercial properties to access tax credits and other incentive to rehabilitate their space.

202.997.0783 | www.adamsmorganonline.org

Capitol Hill BID

The Capitol Hill Business Improvement District (BID) is a 501(c)(6) nonprofit organization funded through a tax assessment on commercial property owners who are dedicated to making Capitol Hill clean and safe. The BID provides enhanced services designed to augment, not replace, those provided by the DC Government including: security, street cleaning, maintenance and graffiti removal, streetscape improvements, community outreach, marketing and promotional services. The BID is led by a 26-member board representing a cross section of Capitol Hill stakeholders, including merchants, tenants, property owners, cultural and nonprofit organizations, ex-officio representatives and elected officials.

Patrolling 81 blocks of the Business Improvement District by foot and bicycle, the Safety Ambassadors of the Capitol Hill BID provide pedestrian and visitor information, merchant visits, vehicular assistance, homeless outreach and act as the eyes and ears for the police department. The dedicated workers of Ready, Willing & Working (RWW) are on the streets of Capitol Hill seven days a week, rain or shine—keeping our sidewalks and curbs clean, reporting and removing graffiti, and collecting over 200 bags of rubbish and recycling daily. The ‘Men in Blue’ have fostered a meaningful connection with the Capitol Hill business community and residents alike. Their blue uniforms are instantly recognizable and have become synonymous with hard work and friendly personalities.

202.842.3333 | www.capitolhillbid.org

Community Development Corporations (CDCs)

Anacostia Economic
Development Corporation
202.889.5100
www.anacostiacdc.com

Development Corporation of
Columbia Heights
202.483.4986
www.dcch.org

Far Southwest/Southeast CDC
202.373.1054

H Street CDC
202.544.8353
www.hstreetcdc.org

Latino Economic Development Corporation
202.588.5102
www.ledcdc.org

MANNA CDC
202.832.1845
www.mannadc.org

Marshall Heights CDO
202.396.1200
www.mhcdo.org

For a complete list of all CDCs, please visit
[www.brc.dc.gov/incentives/
community.asp](http://www.brc.dc.gov/incentives/community.asp)

Capitol Riverfront BID

The Capitol Riverfront BID spreads over the area of 500 acres within the Southeast Corridor of the District. Among the services it provides are Clean Teams and hospitality/safety ambassadors; marketing, branding, and special events; economic development; office, retail, and residential attraction; and community building.

202.465.7093 | www.capitolriverfront.org

Downtown DC BID

The Downtown DC Business Improvement District (BID) is a private non-profit organization that provides capital improvements, resources and research to help diversify the economy and enhance the Downtown experience for all. This special district, where property owners have agreed to tax themselves to fund services, encompasses a 138-acre of approximately 825 properties from Massachusetts Avenue on the north to Constitution Avenue on the South, and from Louisiana Avenue on the east to 16th Street on the west. As a catalyst, facilitator and thought leader, the Downtown BID promotes public/private partnerships to create a remarkable urban environment.

202.638.3232 | www.downtowndc.org

Georgetown BID

The Georgetown Business Improvement District (BID) is a nonprofit organization dedicated to protecting and enhancing the accessibility, attractiveness and overall appeal of Georgetown. Established in 1999 by its property owners and merchants, the Georgetown BID has more than 1,600 members. The organization is located in the heart of Georgetown and sets a standard of excellence in preserving historic charm while meeting contemporary needs. From marketing and special events, to transportation and streetscape, the Georgetown BID contributes to the vitality and quality of life in Georgetown.

202.298.9222 | www.georgetowndc.com

Golden Triangle BID

The Golden Triangle BID is a 43-block area that stretches from the front yard of the White House to Dupont Circle, encompassing the western section of DC's Central Business District and representing approximately 3,000 businesses. The Golden Triangle BID supplements District of Columbia services by providing maintenance, hospitality, public safety, promotional programs, as well as capital improvements and advocacy. The BID's Ambassador Program, comprised of hospitality and maintenance Ambassador Program, comprised of hospitality and maintenance Ambassadors, provide supplemental services to create a clean, safe and friendly environment.

202.463.3400 | www.goldentriangledc.com

The NoMa BID

NoMa is one of DC's most dynamic new neighborhoods. To support the development of the neighborhood, the NoMa Business Improvement District was approved in March 2007 by the DC Council, and has since supported \$1.5 billion in recent private investment, and more than 8 million square feet of development. This area is transforming into a mixed-use neighborhood of sleek sustainable offices, shops, restaurants, apartments, and hotels, with an additional 17.5 million square feet planned over the next 20 years. The BID promotes these changes by providing a clean, safe and friendly environment for businesses, residents and visitors.

202.289.0111 | www.nomabid.org

The Mount Vernon Triangle CID

The Mount Vernon Triangle Community Improvement District was the fifth BID to open its doors in the city of Washington and is the first to tax commercial and residential buildings. Comprised of 30 acres (15 city blocks) around New York Avenue, New Jersey Avenue, and Massachusetts Avenue NW, the MVT CID currently has 1,142 members. It provides services to the neighborhood, such as cleaning, landscaping, safety, marketing and planning.

202.661.7590 | www.mountvernontriangle.org

Community Development Corporations (CDCs)

Community Development Corporations (CDCs) work to revitalize distressed neighborhoods throughout the District of Columbia. CDCs are great resources for understanding neighborhood culture and dynamics and for providing site location assistance to your business.

Department of Small and Local Business Development (DSLBD) DC Main Streets

The Department of Small and Local Business Development's Division of Commercial Revitalization manages the DC Main Streets program, which fosters retail investment in the District by providing funding and technical assistance to help communities retain and recruit businesses, improve commercial properties and streetscapes and attract consumers to neighborhood commercial districts. This citywide program, which is based on the National Trust's Main Street Approach model, builds the capacity of neighborhood partner organizations and residents to sustain community-driven revitalization efforts.

202.727.3900 | www.dslbd.dc.gov

Main Street Programs

Adams Morgan Main Street Group

www.ammainstreet.org

202.232.1960

Barracks Row Main Street

www.barracksrow.org

202.544.3188

Historic Dupont Circle Main Streets

www.dupontcircle.biz

202.441.1474

H Street Main Street (NE)

www.hstreet.org

202.543.0161

Shaw Main Streets

www.shawmainstreets.com

202.265.7429

Great Streets

Georgia Ave., NW & 7th St., NW

From Eastern Ave. to Mount Vernon Sq.

H Street, NE & Benning Road, NE

From N. Capitol St. to Southern Ave.

Martin L. King Jr. Ave., SE & South Capitol Street

From Good Hope Rd. to Southern Ave.

Minnesota Avenue, NE/SE

From Sheriff Rd. to Good Hope Rd.

Nannie Helen Burroughs Avenue, NE

From Minnesota Ave. to Eastern Ave.

Pennsylvania Avenue, SE

From 2nd Street to Southern Avenue

For more information the Great Streets Program, please visit the "Great Streets" link at www.dcbiz.dc.gov or email Great.Streets@dc.gov.

Great Streets

The Great Streets Initiative is a multi-year, multiple-agency effort to transform nine under-invested corridors into thriving and inviting neighborhood centers using public actions and tools as needed to leverage private investment. The Office of the Deputy Mayor for Planning and Economic Development (DMPED) is partnering with the District Department of Transportation (DDOT) and the Office of Planning (OP) to manage the program. More than \$200 million is being invested in new mixed use development projects, storefront improvements, transportation, streetscape, and transit improvements along these corridors. In late January 2008, the District of Columbia made available \$95 million in targeted Tax Increment Financing for neighborhood economic development projects which include over 10,000 square feet of quality local and national retail.

www.dcbiz.dc.gov ("Great Street" link) | Great.Streets@dc.gov

New Communities

The New Communities Initiative is a comprehensive, District-led redevelopment initiative aimed at addressing the physical and human architecture of identified DC neighborhoods that include: Barry Farm (Ward 8), Lincoln Heights/Richardson Dwellings (Ward 7), Northwest One (Ward 6) and Park Morton (Ward 1). The Initiative seeks to create healthy mixed-income communities with integrated public facilities and services that offer families better quality housing, real economic opportunity and access to human services. The New Communities Initiative is a partnership between the District's Office of the Deputy mayor for Planning and Economic Development, Office of the City Administrator, Office of Planning, the Department of Housing and community Development, and the District of Columbia Housing Authority.

www.planning.dc.gov | 202.442.7600

Legal Resources

American University Washington College of Law & Economic Development Law Clinic (CEDLC)

CEDLC provides transactional legal services for client groups engaged in different kinds of neighborhood-based community development. They represent and help organized small nonprofits and businesses.

202.274.4147 | www.wcl.american.edu/clinical/community.cfm

George Washington University Small Business & Community Economic Development Law Clinic (SBCED Clinic)

The GWU SBCED Clinic provides free start-up legal assistance to selected DC area small businesses and nonprofit organizations that cannot afford to pay a lawyer.

202.994.7463 | www.law.gwu.edu/sbcd

University of the District of Columbia- David A. Clarke School of Law

UDC operates a Small Business Law Center (SBLC) under a grant for the SBA to provide small, disadvantaged businesses with comprehensive legal services and business consulting to the DC community. This organization of student case workers can help with articles of incorporation or partnership agreements, tax laws, business structure or contracts, etc.

202.274.5122 | www.law.udc.edu

Utility & Small Business Energy Efficiency Resources

District Department of the Environment (DDOE)

The Small Business Energy Efficiency Program (SBEEP) provides assistance to qualified District of Columbia for-profit small businesses by identifying and installing energy efficiency measures.

202.535.2600 | www.ddoe.dc.gov

PEPCO

Pepco, a subsidiary of Pepco Holdings, Inc., provides safe and reliable electric service to more than 750,000 residential and commercial customers in the District of Columbia and Montgomery and Prince George's counties in Maryland.

202.872.2000 | www.pepco.com

Verizon

Verizon's mission is to improve education, literacy, family safety and healthcare by supporting Verizon's commitment to deliver technology that touches life. It provides telephone and internet services to the community.

800.256.4646 | www.verizon.com

Washington Gas

Washington Gas, a regulated subsidiary of WGL Holdings, Inc., delivers natural gas to more than one million residential, commercial and industrial customers throughout the District of Columbia, and the surrounding region.

703.750.1000 | www.washgas.com

Quick References

DC Government Agencies SELECTED

**District Government Hotline—
Mayor's Call Center**
Call 311 | www.dc.gov

**Office of the Deputy Mayor for Planning &
Economic Development**
1350 Pennsylvania Avenue, NW
Suite 317
Washington, DC 20004
www.dcbiz.dc.gov | 202.727.6365

**Alcoholic Beverage Regulation
Administration (ABRA)**
1250 U Street, NW
3rd Floor
Washington, DC 20009
www.abra.dc.gov | 202.442.4423

DC Main Streets
(DSLBD reSTORE DC Program)
441 4th Street, NW, Suite 970 North
Washington, DC 20001
www.restore.dc.gov | 202.727.3900

**Department of Consumer &
Regulatory Affairs (DCRA)**
1100 4th Street, SW
Washington, DC 20024
www.dcra.dc.gov | 202.442.4400

Department of Employment Services (DOES)
64 New York Avenue, NE
Suite 3000
Washington, DC 20002
www.does.dc.gov | 202.724.7000

District Department of the Environment
1200 First Street, NE
5th Floor
Washington, DC 20002
www.ddoe.dc.gov | 202.535.2600

**Department of Housing and
Community Development (DHCD)**
1800 Martin Luther King, Jr. Avenue, SE
Washington, DC 20020
www.dhcd.dc.gov | 202.442.7200

**Department of Insurance,
Securities, and Banking (DISB)**
801 First Street, NE
Suite 701
Washington, DC 20002
www.disb.dc.gov | 202.727.8000

DISB Insurance Bureau 202.442.7766

DISB Risk Finance Bureau 202.727.5074

**Department of Small &
Local Business Development**
441 4th Street, NW
Suite 970 North
Washington, DC 20001
dslbd.dc.gov | 202.727.3900

Metropolitan Police Department
(MPD) Business Service Division
300 Indiana Avenue, NW
Washington, DC 20001
www.mpdc.dc.gov | 202.727.8711

Office of Contracting and Procurement (OCP)
441 4th Street, NW,
Suite 700 South
Washington, DC 20001
www.ocp.dc.gov | 202.727.0252

**Office of Enterprise Zone and
Revenue Bond Program**
1350 Penn. Avenue, NW, Suite 317
Washington, DC 20004
www.dcbiz.dc.gov | 202.727.6365

Office of Partnerships and Grants Development
Executive Office of the Mayor
1350 Pennsylvania Ave., NW
Suite 324
www.opgd.dc.gov | 202.727.8900

Office of Planning

2000 14th Street, NW
4th Floor
Washington, DC 20009
www.planning.dc.gov | 202.442.7600

Office of Tax and Revenue (OTR)**Taxpayer Service Center**

1101 4th Street, SW
West Building
Washington, DC 20024
www.otr.cfo.dc.gov | 202.727.4TAX

Office of Unemployment**Compensation Tax Division**

Department of Employment Services
609 H Street, NE, Room 367
Washington, DC 20002
www.does.dc.gov | 202.724.7072

State Data Center (Office of Planning)

2000 14th Street, NW
Washington, DC 20009
www.planning.dc.gov | 202.442.7600

*Federal Government Agencies***SBA's SCORE Program (main office)**

740 15th Street, NW
3rd Floor
Washington, DC 20005
www.scoredc.org | 202.272.0390

Social Security Administration Offices

2100 M Street NW
Washington, DC 20037
www.ssa.gov | 800.772.1213

U.S. Department of Housing and Urban Development

820 1st Street, NE, Suite 300
Washington, DC 20002
www.hud.gov | 202.275.9200

U.S. Internal Revenue Service

500 North Capitol Street, NW
Washington, DC 20221
www.irs.gov | 202.874.6748
800.829.4933 (Toll-free for Businesses)

*Small Business Development Centers (DCSBDC)***DCSBDC at AEDC**

1800 Martin Luther King Jr. Ave. SE
Suite 100
Washington, DC 20020
www.dcsbdc.org | 202.889.5090

DCSBDC at Howard University Lead Center

2600 6th Street .NW,
Washington, DC 20059
www.dcsbdc.org | 202.806.1550

DCSBDC at DC Chamber of Commerce

1213 K Street, NW
Washington, DC 20005
www.dcsbdc.org | 202.347.7201

DCSBDC at DC Chamber of Commerce Business Resource Center

7059 Blair Road, NW
Suite 203
Washington, DC 20012
202.545.0220

DCSBDC at University of District of Columbia

4340 Connecticut Avenue, NW
Washington, DC 20008
www.dcsbdc.org | 202.274.7030

DCSBDC at Howard University GADGET Center

2801 Georgia Avenue, NW
Washington, DC 20008
www.dcsbdc.org | 202.319.1393

*General Business Support Resources***Washington, DC Economic Partnership**

1495 F Street, NW
Washington, DC 20004
www.wdcep.com | 202.661.8670

CHAMPS—Capitol Hill Chamber of Commerce

P.O. Box 15486
Washington, DC 20003
www.capitolhill.org | 202.547.7788

DC Building Industry Association (DCBIA)

5100 Wisconsin Avenue, NW, Suite 301
 Washington, DC 20016
www.dcbia.org | 202.966.8665

**DC Chamber of Commerce
 Business Resource Center**

7059 Blair Road, NW
 Suite 203
 Washington, DC 20012
www.brc.dc.gov/gabrc | 202.545.0220

DC Chamber of Commerce

1213 K Street, NW
 Washington, DC 20005
www.dcchamber.org | 202.347.7201

DC Women's Business Center

64 New York Avenue, NE
 Suite 3144
 Washington, DC 20002
www.dcwbc.org | 202.671.2144

Greater Washington Board of Trade

1725 I Street NW, Suite 200
 Washington, DC 20006
www.bot.org | 202.857.5900

**Greater Washington Fashion
 Chamber of Commerce**

1629 K Street, NW
 Suite 300
 Washington, DC 20006
www.gwfcc.org | 202.355.3929

**Greater Washington Hispanic
 Chamber of Commerce**

910 17th Street NW, Suite 1150
 Washington, DC 20006
www.gwhcc.org | 202.728.0352

Greater Washington Initiative (GWI)

1725 I Street, NW, Suite 200
 Washington, DC 20006
www.greaterwashington.org | 202.857.5999

National Association of Minority Contractors

The Ronald Reagan House Office Building
 Suite 700
 1300 Pennsylvania Avenue, NW
 Washington, DC 20004
www.namcnational.org | 202.204.3093

Society of Industrial and Office Realtors (SIOR)

1201 New York Ave., NW
 Suite 350
 Washington, DC 20005
www.sior.com | 202.449.8200

Washington Area Better Business Bureau

1411 K Street, NW
 10th Floor
 Washington, DC 20005
www.dc-easternpa.bbb.org

Washington Area Community Investment Fund

3624 12th Street, NE
 Washington, DC 20017
www.wacif.org | 202.529.5505

*Export/Import Services***Bureau of Industry and Security**

14th and Pennsylvania Avenue, NW
 Room 2705
 Washington, DC 20230
www.bis.doc.gov | 202.482.4811

*Franchise***International Franchise Association**

1501 K Street, NW
 Suite 350
 Washington, DC 20005
www.franchise.org | 202.628.8000

*Legal Clinics***American University Washington College of Law**

4801 Massachusetts Avenue, NW
 Washington, DC 20016
www.wcl.american.edu | 202.274.4147

GWU Small Business & Community**Economic Development Clinic**

2000 H Street, NW Suite 200

Washington, DC 20052

www.law.gwu.edu/sbcd | 202.994.7463**University of District of Columbia Law School**

4200 Connecticut Avenue, NW

Washington, DC 20008

www.law.udc.edu | 202.274.7341*Nonprofit Assistance***American Society of Association Executives**

1575 I Street, NW

Washington, DC 20005

www.asaecenter.org | 202.371.0940**Center for Non-Profit Advancement**

1666 K Street NW, Suite 440

Washington, DC 20006

www.nonprofitadvancement.org | 202.457.0540**Foundation Center**

1627 K Street, NW, 3rd Floor

Washington, DC 20006

**www.foundationcenter.org/washington
202.331.1400***Neighborhood Resources**Business Improvement Districts (BIDs)***Adams Morgan Partnership**

1804 Belmont Road, NW

Washington, DC 20009

www.adamsmorganonline.org | 202.997.0783**Capitol Hill BID**

30 Massachusetts Avenue, NE

Washington, DC 20002

www.capitolhillbid.org | 202.842.3333**Capitol Riverfront**

1100 New Jersey Avenue, SE

Suite 1010

Washington, DC 20003

www.capitolriverfront.org | 202.465.7093**Downtown DC BID**

1250 H Street, NW, Suite 1000

Washington, DC 20005

www.downtowndc.org | 202.638.3232**Georgetown BID**

1055 Thomas Jefferson Street, NW

Suite L-11

Washington, DC 20007

www.georgetowndc.com | 202.298.9222**Golden Triangle BID**

1120 Connecticut Ave., NW Suite 260

Washington, DC 20036

www.goldentriangledc.com | 202.463.3400**Mount Vernon Triangle CID**

1250 H Street, NW, Suite 1000

Washington, DC 20005

www.mountvernontriangle.org | 202.661.7590**NoMa BID**

1200 First Street, NE, Suite 310

Washington, DC 20002

www.nomabid.org | 202.289.0111*Department of Small and Local
Business Development
DC Main Street Programs*Visit **www.restore.dc.gov** and click on “DC Main Streets” for descriptions on each program.**Adams Morgan Main Street**

1815 Adams Mill Road, NW

Washington, DC 20009

www.ammainstreet.org | 202.232.1960**Barracks Row Main Street**

733 1/2 8th Street, SE

Washington, DC 20003

www.barracksrow.org | 202.544.3188**Gateway Georgia Avenue Main Street**

7826 Eastern Avenue, NW, Suite 300

Washington, DC 20012

www.gatewaycdc.com | 202.291.2400

Historic Dupont Circle Main Street

9 Dupont Circle, NW
 Washington, DC 20036
www.dupontcircle.biz | 202.441.1474

H Street Main Street

961 H Street, NE
 Washington, DC 20002
www.hstreet.org | 202.543.0161

Shaw Main Streets

1426 9th Street, NW
 Washington, DC 20001
www.shawmainstreets.com | 202.265.7429
 (SHAW)

Community Development Corporations (CDCs)

The following is a partial listing of CDCs, for a complete listing, please visit: www.brc.dc.gov, under “Community Development.”

Anacostia Economic Development Corporation

1800 Martin Luther King Jr. Avenue, SE
 Suite 100
 Washington, DC 20020
www.anacostiacdc.com | 202.889.5100

Development Corporation of Columbia Heights

3419 14th Street, NW
 Washington, DC 20010
www.dcch.org | 202.483.4986

Far Southwest/Southeast CDC

3939 South Capitol Street, SW
 Washington, DC 20032
 202.373.1054

H Street CDC

501 H Street, NE
 Washington, DC 20002
www.hstreetcdc.org | 202.544.8353

Latino Economic Development Corporation

2316 18th Street, NW
 Washington, DC 20009
www.ledcdc.org | 1.866.977.LEDC (5332)

MANNA CDC

828 Evarts Street, NE
 Washington, DC 20018
www.mannadc.org | 202.832.1845

Marshall Heights CDO

3939 Benning Road, NE
 Washington, DC 20019
www.mhcdo.org | 202.396.1200





SERVICES TO SUPPORT YOUR GROWING BUSINESS

If you live, work, worship or go to school in the District, you can join!

- ▶ BUSINESS DEPOSIT ACCOUNTS
- ▶ REMOTE DEPOSIT CAPTURE
- ▶ ONLINE SERVICES
- ▶ EQUIPMENT FINANCING
- ▶ WORKING CAPITAL
- ▶ BUSINESS CREDIT CARDS
- ▶ SBA LOANS


signalfinancial

Federal Credit Union

301.933.9100 | www.sfonline.org

DC Branch Locations

McPherson Branch
1401 I Street, NW
Washington, DC

Columbia Heights Branch
1400 Irving NW.
Washington, DC

Potomac Avenue Branch
1391 Pennsylvania Ave. SE
Washington, DC

Your savings are insured to \$250,000. Traditional & Roth IRAs are also insured to \$250,000. Both are backed by the full faith and credit of the United States Government.

NCUA

National Credit Union Administration
A U.S. Government Agency